DOCUMENT RESUME

ED 450 276	CE 081 437
AUTHOR	Freedman, Stephen; Friedlander, Daniel; Hamilton, Gayle; Rock, JoAnn; Mitchell, Marisa; Nudelman, Jodi; Schweder, Amanda; Storto, Laura
TITLE	Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs. National Evaluation of Welfare-to-Work Strategies.
INSTITUTION	Office of the Assistant Secretary for Planning and Evaluation (DHHS), Washington, DC.; Department of Education, Washington, DC. Office of the Under Secretary.; Office of Vocational and Adult Education (ED), Washington, DC.; Administration for Children and Families (DHHS), Washington, DC.; Manpower Demonstration Research Corp., New York, NY.
PUB DATE	2000-06-00
NOTE	375p.; For related studies on the National Evaluation of Welfare-to-Work Strategies, see CE 081 415-416 and CE 081 435. Child Trends, a subcontractor, is conducting the Child Outcomes Study, which is funded by the Foundation for Child Development and the William T. Grant Foundation. The Riverside County, California, evaluation is funded by the California Department of Social Services, California State Job Training Coordinating Council, the California Department of Education, and the Ford Foundation.
CONTRACT	HHS-100-89-0030
AVAILABLE FROM	Manpower Demonstration Research Corporation, 16 East 34 Street, New York, New York 10016; Tel: 212-532-3200; Web site: http://www.mdrc.org. For full text: http://www.mdrc.org/Reports2000/NEWWS-11Prog/NEWWS-2-Year-11-Site.pdf.
PUB TYPE	Reports - Research (143)
EDRS PRICE	MF01/PC15 Plus Postage.
DESCRIPTORS	Accountability; Adult Education; Attitude Change; Basic Skills; Caseworker Approach; Children; Client Characteristics (Human Services); Comparative Analysis; Day Care; *Delivery Systems; *Education Work Relationship; Educational Attainment; Educational Policy; Employed Women; Employment Level; Employment Patterns; *Employment Programs; Employment Qualifications; Employment Services; Family Work Relationship; Financial Support; Followup Studies; Fringe Benefits; Health Insurance; Job Skills; Job Training; Mothers; National Surveys; One Parent Family; Outcomes of Education; Postsecondary Education; *Program Effectiveness; Public Policy; Salary Wage Differentials; Services; Skill Development; Tables (Data); *Vocational Education; *Welfare Recipients; Well Being; Work Attitudes
IDENTIFIERS	California (Riverside); Georgia (Atlanta); Impact Studies; Job Opportunities and Basic Skills Program; Michigan (Detroit); Michigan (Grand Rapids); Ohio (Columbus); Oklahoma (Oklahoma City); Oregon (Portland); Temporary Assistance for Needy Families; *Welfare to Work Programs

ABSTRACT

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The 2-year impacts of 11 welfare-to-work programs across the United States were evaluated to determine the relative effectiveness of different approaches to moving individuals from welfare to work. All 11 programs operated under the Job Opportunities and Basic Skills Program. Four programs were employment focused (three low-enforcement and one high-enforcement programs), and seven were education focused (five high-enforcement and two low-enforcement programs). Although the employment-focused programs produced larger gains in employment and earnings over the 2-year follow-up period, concern was expressed that their effects may not be sustained over the long term. Several education-focused programs began to show moderate impacts in year 2. All programs reduced welfare dependency to some degree. The programs did not have widespread, large, or consistent effects on sample members' children; however, positive and negative effects occurred in some programs. High-enforcement programs did not produce the largest impacts, but low-enforcement programs resulted in only small effects. (Ninety tables/figures are included. The following items are appended: supplementary tables and figures; information about family circumstances, child outcomes, and impacts for families with preschool-age children; a survey response analysis; and a comparison of impacts estimated from survey and unemployment insurance data. The bibliography lists 55 references.) (MN)

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National Evaluation of Welfare-to-Work Strategies

Evaluating Alternative Welfare-to-Work Approaches:

Two-Year Impacts for Eleven Programs

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The Manpower Demonstration Research Corporation (MDRC) is conducting the National Evaluation of Welfare-to-Work Strategies under a contract with the U.S. Department of Health and Human Services (HHS), funded by HHS under a competitive award, Contract No. HHS-100-89-0030. Child Trends, as a subcontractor, is conducting the analyses of outcomes for young children (the Child Outcomes Study). HHS is also receiving funding for the evaluation from the U.S. Department of Education. The study of one of the sites in the evaluation, Riverside County (California), is also conducted under a contract from the California Department of Social Services (CDSS). CDSS, in turn, is receiving funding from the California State Job Training Coordinating Council, the California Department of Education, HHS, and the Ford Foundation. Additional funding to support the Child Outcomes Study portion of the evaluation is provided by the following foundations: the Foundation for Child Development, the William T. Grant Foundation, and an anonymous funder.

The findings and conclusions presented herein do not necessarily represent the official positions or policies of the funders.

Selected Publications from This Evaluation

Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies. Prepared by Gayle Hamilton, MDRC, with Stephen Freedman, MDRC, and Sharon M. McGroder, Child Trends. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Children and Families; and U.S. Department of Education.

Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs. Prepared by Stephen Freedman, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, and Laura Storto, MDRC. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study. Prepared by Sharon M. McGroder, Martha J. Zaslow, Kristin A. Moore, and Suzanne M. LeMenestrel. 2000. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Children and Families; and U.S. Department of Education.

Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program. Prepared by Susan Scrivener, Gayle Hamilton, Mary Farrell, Stephen Freedman, Daniel Friedlander, Marisa Mitchell, Jodi Nudelman, and Christine Schwartz, MDRC. 1998. Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

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Work First: How to Implement an Employment-Focused Approach to Welfare Reform. Amy Brown. 1997. New York: MDRC.

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National Evaluation of Welfare-to-Work Strategies

Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs

U.S. Department of Health and Human Services
Administration for Children and Families
Office of the Assistant Secretary for Planning and Evaluation

U.S. Department of Education
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Acknowledgments

This evaluation has benefited from the ongoing support and assistance of administrators and staff in all seven sites. Many people have generously given many hours of their time to help complete key research tasks — implementing random assignment, facilitating requests for administrative data and published agency reports, providing technical assistance, and reviewing drafts of this and earlier reports. These individuals are due a great deal of gratitude.

The following key staff in the locations central to this report deserve particular thanks:

in California — Bruce Wagstaff, Paul Nakashima, Paul Warren, Debra Gamble-Hojjatie, Dana Herron, Chuck Morga, Janet Secco, and Karen Sutton, and in Riverside County, Dennis Boyle, Marilyn Kuhlman, Ron Quinn, John Rodgers, Shirley Smith, Barbara Black, Herman Copsy, Terry Welborn, Pat Virzi, John Harvey, and Susan Ogden;

in Georgia — Michael Thurmond, Sylvia Elam, Linda Bryant, Veronica Thomas, Doug Greenwell, Jeffrey Blankenship, Ed Nelson, Marti Colglazier, Blanie Scroggins, and Susan Williamson, and in Fulton County, Ralph Mitchell, Doretha Watkins, Gwen Bailey, Judy Byerly, Freda Carroll, Dallas Chambers, Mary Parker, Linda Turner, and Nancy Chesna;

in Michigan — Gerald Miller, Marva Hammons, Dan Cleary, Gary Howitt, Leo Greco, Steve Miller, Dick Hall, F. Robert Edwards, Dick Branch, Diane Clark, Nancy Duncan, Charles Overbey, Nancy Colbert, Vicki Enright, John Weimer, William Walker, and Marlene Hagans; in Kent County, Everett Vermeer, John Cole, Jim Poelstra, Ken VanLoo, John Rosendahl, Char Kramer, and Marilyn Pennebaker; and in Wayne County, Samuel Chambers, Barbara Borden, Johnnie Fox, Eda Fields, Princess Nunley, Richard Stylski, Barbara Allen, and Kathleen Cook;

in Ohio — Michael Haas, Joel Rabb, Richard Deppe, Michael Koss, Scott Kozlowski, Nancy Mead, and Brenda Newsome, and in Franklin County, John Hahn, Leila Hardaway, Annette Mizelle, Toni Smith, and Georgianna Hayes;

in Oklahoma — Robert Case, Raymond Haddock, Susan Hall, Woody Hogue, Sondra Jacob, Ann Kent, Stuart Kettner, Curtis Rachels, Debbie Toon, Paul Walker, Jacque Lippel, and Sedelia Koper, and in Oklahoma, Cleveland, and Pottawatomie counties, Judith Atkinson, Farilyn Ballard, Bill Bynum, Neil Freeman, Carolyn Gault, Herbert Jones, Margaret Jones, Beverly Morris, Jim Struby, David Reeves, and Margaret Thompson;

in Oregon — Kevin Concannon, Gary Weeks, Sandie Hoback, Stephen Minnich, Jerry Burns, Debbie White, Susan Blanche-Kappler, Elizabeth Lopez, Margaret Armantrout, Edward Buckner, Ward Kent, Larry Morris, Bob Putman, Bill Barrong, and Rich Grace; in AFS District Two, Maureen Casterline, Jean Stryker, Judith Brown, David Flock, Frank Gembinski, Erma Hepburn, Jean Pullen, and Marge Reinhart; and in Multnomah and Washington counties, Pat Adair, Rod Brown, June Cook, Cathy Craner, Oren Cyphers, Hilda Davis, Bob Earnest, Carol Eckel, Dorothy Fuller, Angel Grogen, Veda Latin, Bruce Lowry, Linda Montgomery, Ann Pickar, Kei Quitevis, Will Reinhart, Pam Ruddell, C. L. Thames, Roger Zwemke, Jodi Davich, Mardica Hicks, Maureen Judge-Morris, Nan Poppe, and Julie Wyckoff-Byers.

Executive Summary

The Personal Responsibility and Work Opportunity Reconciliation Act of August 1996[1] ended the Aid to Families with Dependent Children (AFDC) program, one of the nation's principal safety nets for poor families. Among its provisions, the law replaced AFDC with a block grant program, Temporary Assistance for Needy Families (TANF), and created financial incentives for states to run mandatory, work-focused welfare-to-work programs. While these types of programs are not new, various aspects of the 1996 law increase their importance: federal funds now may not be used to support most families on welfare for longer than five years and a number of states and localities have shorter welfare time limits; states face financial penalties if they fail to meet TANF-defined "participation standards," which require large proportions of welfare recipients to be in work or work-related activities; and states must have a plan for how they will require recipients to work after two years of assistance.

To meet the new challenges of the federal welfare legislation, state and local administrators and policy makers need to know about the types of welfare-to-work program approaches that can quickly move substantial numbers of people into work and off welfare. This report provides such guidance, by analyzing the effectiveness of 11 mandatory welfare-to-work programs operated in seven locales. The sites included in the evaluation are Atlanta, Georgia; Columbus, Ohio; Detroit and Grand Rapids, Michigan; Oklahoma City, Oklahoma; Portland, Oregon; and Riverside, California.

The report is one in a series from an evaluation of the programs called the National Evaluation of Welfare-to-Work Strategies (NEWWS), conducted by the Manpower Demonstration Research Corporation (MDRC) under contract to the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education. Child Trends, as a subcontractor, is conducting the analyses of outcomes for young children (the Child Outcomes Study). Two other recent reports (both also published in 2000 by the U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation, and the U.S. Department of Education) should be viewed as "companion" documents to this report: *Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study*, prepared by Sharon M. McGroder, Martha J. Zaslow, Kristin A. Moore, and Suzanne M. LeMenestrel, Child Trends; and *Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies*, prepared by Gayle Hamilton, MDRC, with Stephen Freedman, MDRC, and Sharon M. McGroder, Child Trends.

Each of the 11 studied programs operated under the federal Job Opportunities and Basic Skills Training (JOBS) program, which preceded TANF. Unlike TANF, these programs did not impose a time limit on eligibility for welfare assistance. However, they shared TANF's primary goal of moving welfare recipients into paid work and off assistance. Further, among the 11 programs some are strongly employment-focused, the welfare-to-work strategy favored under TANF, and some are strongly basic education-focused, an approach possible under TANF but more prevalent during the late 1980s and early 1990s. (Overall, the present results pertain to the period between 1991 and 1996.) The programs varied in other ways, including how broadly the participation mandate was applied to the welfare caseload and how strictly it was enforced, the amount of child care support provided for program participation or employment, and methods of case management. The programs also served different welfare populations and operated in a variety of labor markets.

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[1] Pub. L. No. 104-193.

Taking advantage of the array of programs studied as part of the evaluation, this report addresses the following critical question: What works best, and for whom? The report distinguishes between employment-focused and basic education-focused programs, as well as between levels of enforcement of the participation mandate. Taking into account these two dimensions of program characteristics, plus the types of program activities to which welfare recipients were assigned, four categories of welfare-to-work program approaches emerge:

- employment-focused programs, with first assignments made to job search and a high level of participation mandate enforcement;
- employment-focused programs, with first assignments made to job search, basic education, or vocational skills training and a high level of participation enforcement (only one program falls into this category);
- education-focused programs, with first assignment made to basic education or skills training and a high level of participation enforcement; and
- education-focused programs, with first assignments made to basic education or skills training and a low level of participation enforcement.

Exhibit ES-1 categorizes the sites' programs. Notably, four of the sites (Atlanta, Grand Rapids, Riverside, and Columbus) operated two different programs simultaneously, to enable rigorous side-by-side tests of the comparative effectiveness of various approaches. Three sites implemented a Labor Force Attachment (LFA) program as well as a Human Capital Development (HCD) program, versions of employment-focused and education-focused programs that magnified the differences between the two types of approaches. The fourth site, Columbus, implemented a program using a traditional (TRD) case management model, in which welfare eligibility and employment program functions were performed by separate staff members, and a program using an Integrated (INT) case management model, in which these two functions were performed by the same staff member. These eight programs in four sites, described in more detail in Section II, are referred throughout by their site name and shortened program model name (LFA, HCD, TRD, or INT).

It is important to note that the studies of the programs in the education-focused category yield information about the effects of increasing welfare recipients' participation in basic education programs (including Adult Basic Education, GED preparation, and English as a Second Language classes) and, to a much lesser extent, in vocation skills training programs, but not in college. On their own, many welfare recipients enroll in various types of education or training classes and reap benefits from them; the education-focused programs in the evaluation, however, sought to increase participation in education or training activities beyond what would normally occur. As will be discussed below, most of the programs did indeed increase such participation, but the increases in enrollments were in basic education courses and, to some degree, in vocational training courses, and not in college-level ones.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-1

Categorizing NEWWS Programs, by Approach, First Activity, and Enforcement Level

Employment-focused approach		Education-focused approach	
Job search first	Varied first activity	Education or training first	
High Enforcement	**High Enforcement**	**High Enforcement**	**Low Enforcement**
Atlanta LFA Grand Rapids LFA Riverside LFA	Portland	Atlanta HCD Grand Rapids HCD Riverside HCD Columbus Integrated Columbus Traditional	Detroit Oklahoma City

This report analyzes the programs' effects for single-parent welfare recipients, focusing on results for the two years after individuals entered the programs. This is an important period in which to gauge whether programs moved recipients from welfare to work. Many states and localities now terminate welfare eligibility after two years. In addition, prior research has shown that many individuals on welfare for at least two years will likely remain on the rolls for a considerably longer time. Under TANF, these individuals would be in jeopardy of reaching their five-year limit on federal funding for welfare benefits. Consequently, the two-year results for these 11 programs will become a benchmark for the next generation of welfare initiatives.

The report explores the following questions:

- Which welfare-to-work program approaches were most successful in helping welfare recipients to receive the program services or attain the skills or credentials that could enhance their chances of finding employment?
- Which approaches were most successful in helping welfare recipients to find paid work and leave welfare within the two-year follow-up period and to remain off welfare? Did any approaches help individuals to get a "good" job, that is, a full-time job with health benefits?
- Which approaches were most successful in increasing welfare recipients' income and helping them move out of poverty?
- Did any approaches positively or negatively affect the well-being of children?
- Which approaches were most successful in achieving self-sufficiency for those who were at high risk for long stays on welfare?

The NEWWS Evaluation uses an unusually strong research design, a random assignment experiment, to estimate program effects. In each site individuals who were required to participate in the program were assigned at random to either a program group (in some sites, one of two program groups) or a control group. Program group members had access to program-provided services and were required to participate in the program or risk a reduction in their monthly welfare grant. Control group members received no mandatory welfare-to-work program services but could seek similar services on their own in the community. This random assignment design assures that within each site there are no systematic differences between the background characteristics of program and control group members when they enter the study. In addition, within each site program and control group members are subject to the same welfare grant levels, labor market conditions, and other environmental factors. As a result, any subsequent differences in outcomes between the groups within each site can be attributed with confidence to the effects of the program. These differences, called impacts, can then be compared across sites, yielding a much more accurate determination of which types of programs are high and low performers than simple comparisons of statistics, such as welfare caseload reductions, across localities or states.

I. Findings in Brief

An examination of the range of effects achieved by all 11 programs yielded the following information about which welfare-to-work program strategies are more or less successful in helping welfare recipients achieve self-sufficiency:

All programs, regardless of their approach, increased participation in activities designed to promote employment during the two-year follow-up period. As expected, employment-focused programs increased participation primarily in job search activities, whereas education-focused programs raised participation levels primarily in basic education and vocational skills training classes. Very different patterns of participation impacts were found for individuals who entered the study with a high school diploma or GED certificate and for those who did not have these credentials. In most education-focused programs participation impacts were concentrated among those without a high school diploma or GED and resulted primarily from large increases in attendance in basic education; only small increases in attendance in post-secondary education or vocational training were found for the education-focused programs, and they were generally among only high school graduates or GED holders. In contrast, large impacts on participation in job search were achieved for both groups in the employment-focused programs.

Some education-focused programs, as well as the Portland program, were able to produce relatively large impacts (about 10 percentage points) on GED attainment among sample members who did not have a high school diploma or GED certificate at study entry. Of the seven education-focused programs, Grand Rapids HCD, Riverside HCD, and Columbus Traditional programs had this effect. Portland's program, in addition to boosting GED receipt, increased the rate at which those without education credentials obtained a trade license or certificate by 12 percentage points. For sample members with a high school diploma or GED certificate at study entry, only three programs (Atlanta LFA and HCD and Grand Rapids HCD) increased receipt of a trade license or certificate.

As expected, employment-focused programs produced larger gains in employment and earnings over the two-year follow-up period than education-focused programs, but these effects may not be sustained everywhere in the long run. Except in Riverside, the site with the most difficult labor market, a majority of control group members found jobs on their own initiative at some point within two years of random assignment and, as a group (including zeroes for nonearners), had average earnings during the second year of follow-up ranging from $2,127 (Oklahoma City) to $3,978 (Columbus). In Portland program group members attained the largest earnings increase among all programs, averaging more than $900 per year in earnings above control group members. Equally important, employment and earnings gains in Portland grew larger over time and reached their highest levels at the end of year 2, the end of the short-term follow-up period available for this report. The other employment-focused programs produced moderate earnings increases, ranging from $400 to $650 per year, that grew smaller toward the end of year 2.

Several of the education-focused programs began to show moderate impacts in year 2. By the end of year 2 all but two of the education-focused programs had attained increases in employment and earnings that equaled or exceeded the gains achieved by all employment-focused programs except Portland's. The two exceptions to this pattern, the Riverside HCD and Oklahoma City programs, did not raise employment or earnings levels in year 2. Overall, these results underscore the importance of tracking the effects of education-focused programs over a longer term.

All programs reduced welfare dependency to some degree. Control group members in all but one site remained on welfare for an average of 16 to 20 months during the two-year follow-up period and received payments averaging between $3,624 (Oklahoma City) and $10,302 (Riverside HCD) during this same period. Seven of the 11 programs, a mixture of employment- and education-focused approaches, decreased cumulative welfare expenditures by more than 10 percent, a historically large effect; welfare reductions in the other four programs were smaller. Portland's program produced a large decrease in welfare receipt that persisted at a high level throughout the follow-up period, showing a 12 percentage point decrease in welfare receipt during the last quarter of the two-year period; all other programs had reduced welfare receipt at this point by 3 to 7 percentage points. All in all, however, at least 40 percent of sample members in the programs were still relying to some extent on welfare at the end of two years.

Most programs increased sample members' reliance on earnings, as opposed to welfare, but family net incomes were largely unchanged. As a result, the programs lifted few families above the poverty line. Reductions in welfare, Food Stamps, and other benefits generally matched or exceeded earnings gains. Including estimates of the Earned Income Tax Credit (EITC) as income produced little change in this finding for all programs except Portland's, which attained the largest and most consistent gain in total income ($238, or $425 including the EITC estimate, for year 2 of the follow-up) and also produced a small increase in the proportion with incomes above the poverty level (4 percentage points, or 7 percentage points including the EITC estimate, in year 2).

Although no programs had pervasive negative effects on sample members, some individuals were adversely affected. In year 2 of follow-up six programs (some employment-focused and some education-focused) produced small increases in the proportion of sample members with combined income from AFDC, Food Stamps, and earnings equivalent to less than 50 percent of poverty levels. In addition, several programs (representing both types of approaches) increased the rate at which individuals left welfare without a job. Finally, some programs that increased employment also decreased family health insurance coverage (as reported by parents) and increased out-of-pocket child care expenditures.

The programs did not have widespread, large, or consistent effects on the children of sample members, but positive and negative effects occurred in some programs. No programs in the evaluation provided direct services (with the exception of child care assistance) to children. Program-produced changes in the lives of sample members (virtually all mothers) may, nevertheless, influence the well-being of children. There is evidence that some of the programs affected the likelihood of at least one child in a family having behavioral, educational, or health and safety problems. There was not, however, a consistent pattern of benefit or harm to children. In addition, employment- and education-focused programs did not appear to affect children differently; there was no consistent evidence that one particular approach affected children more or less or was more likely to help or harm children.

Several employment- and education-focused programs attained at least moderate employment and earnings gains for the "most disadvantaged" sample members. Five programs (Portland, Grand Rapids LFA and HCD, and Riverside LFA and HCD) increased employment and earnings for individuals who at study entry did not have a high school diploma or GED, had not worked in the prior year, and had been on welfare cumulatively for two years or more. These five programs and two others (Detroit and Columbus Integrated) also reduced the amount of time that the most disadvantaged individuals spent on welfare during the follow-up period.

High enforcement programs did not produce the largest impacts, but low enforcement programs resulted in only small effects. Programs in which staff closely monitored individuals' attendance in program activities, followed up quickly when problems arose, and swiftly imposed financial sanctions when individuals did not comply with program requirements, were present among both the employment- and education-focused programs. High enforcement programs, notably those in Grand Rapids and Columbus, did not necessarily produce the largest impacts. However, the two low enforcement programs — Oklahoma City and, in its early stages, Detroit — yielded only small impacts. It thus appears that a minimum level of enforcement by program staff is required to produce at least moderate earnings and welfare impacts, presumably because this extra "push" is needed in order to engage in program activities those who normally would not participate on their own initiative.

While many programs achieved positive effects on employment, earnings, and reduced use of welfare, few achieved large effects, except for Portland. The Portland program was unusually successful in substantially increasing employment and earnings, helping people to get "good" jobs, lowering welfare receipt, and achieving these outcomes for a cross section of sample members. The results are probably due to a combination of factors. While its employment message was strong, the program offered high-quality education and training services as well as job search, enforced a participation mandate, and had strong job development and placement services. In addition, contextual factors may have contributed to the program's success. In particular, it worked with a less disadvantaged welfare caseload (relative to the other studied programs) and operated within a good labor market with a relatively high state minimum wage.

The remainder of this summary details these findings. First, however, it describes the key welfare-to-work program approaches contrasted in the analysis and explains the evaluation's research design and samples.

II. Program Approaches and Implementation Features

As noted above, the evaluation's sites implemented very different programs; in fact, the research designs in several of the sites were set up to rigorously compare the effects of specific program approaches. This section discusses the two key implementation features used in this report to define four broad program approaches. In addition, for context, other major program dimensions are described.

A. Employment- or Education-Focused

Since the late 1960s welfare-to-work programs seeking to increase welfare recipients' self-sufficiency have emphasized one of two strategies. One strategy emphasizes quick employment, reflecting the belief that individuals can best build their employability, and eventually achieve self-sufficiency, through actual work, even if their initial jobs are minimum wage and without fringe benefits. The other strategy emphasizes skill-building, particularly in the education area, reflecting the view that individuals should first invest in education or training to enable them to eventually obtain higher-wage, longer-lasting jobs with health insurance coverage. The 11 NEWWS programs blend elements of both strategies to varying degrees.

As shown in Exhibit ES-1 four programs (Atlanta, Grand Rapids, and Riverside LFA and Portland) were "employment focused." They provided job search assistance to a large segment of their caseload and encouraged enrollees to find work as quickly as possible. Further, both the Portland and Riverside programs employed full-time job developers to help place program enrollees in unsubsidized jobs.

The three LFA programs, however, differed from Portland's program in important ways. The LFA programs routinely assigned individuals to job search assistance, usually job club, as their first activity, whereas Portland's program offered GED preparation classes to those deamed by case managers to have a good chance of attaining a GED certificate relatively quickly. (Activities initially assigned are an important clue to the "treatment" experienced by welfare recipients, as many people leave welfare or become exempt or temporarily excused from welfare-to-work programs prior to being assigned to a second program activity.) Further, Portland case managers encouraged enrollees to hold out for jobs that paid well above the minimum wage and offered the best chance for long-lasting and stable employment. In contrast, case managers in the LFA programs, especially in Riverside, stressed the value of starting off with any job, even a low-paying one, and then advancing toward more stable and better-paying jobs in the future.

Seven programs (Atlanta, Grand Rapids, and Riverside HCD; Columbus Integrated and Traditional; and Detroit and Oklahoma City) can be characterized as "education-focused." (See Exhibit ES-1.) A large percentage of enrollees in these programs were initially assigned to some type of skill-building activity. The types of activities to which enrollees were first assigned depended, in part, on the level of educational attainment that individuals had achieved prior to entering the program. Those who had not completed high school or received a GED certificate but who were assessed by case managers as having high school-level skills were assigned to GED preparation classes. Those with lower reading or math levels were assigned to Adult Basic Education classes. In addition, non-English speakers could be assigned to English as a Second Language (ESL) programs. Finally, those who had completed high school or held a GED certificate could be assigned to vocational training or employment-oriented skills courses at local community colleges. All in all, however, assignments to GED preparation or basic education courses were more common than assignment to vocational training programs in these education-focused programs, primarily as a result of welfare recipients' low levels of educational achievement; enrollment in college played an even smaller role.

Some differences existed among the seven education-focused programs. The three HCD programs usually assigned enrollees to education or training programs as their first activity. Case managers in Columbus, Detroit, and Oklahoma had more discretion over activity assignments, but, in practice, most program enrollees were initially assigned to education or training activities in these sites as well. Riverside's HCD program was also unique among this group in that it did not serve high school graduates and GED holders who, at program entry, scored above minimum levels in reading and math tests.

B. High or Low Enforcement of the Participation Mandate

The degree to which a program enforces a participation mandate can be viewed as a product of three factors: how wide a cross section of the welfare caseload is enrolled in a program; how closely a program monitors individuals' participation; and how swiftly and consistently a program imposes financial sanctions, that is, reductions in monthly welfare grants, on those who do not participate.

All four employment-focused programs, and five of the seven education-focused programs, can be considered high enforcement programs; the remaining two education-focused programs, Detroit and Oklahoma City, can be considered low enforcement programs. While technically requiring enrollment from a cross section of their "mandatory" caseloads, these latter two programs put a priority on working with those individuals who expressed interest in participating in the program. In addition, resource constraints kept staff in these sites from closely monitoring individuals' participation in program activities. Finally, staff in these two sites rarely invoked financial sanctions. In contrast, program staff in the other programs generally enrolled and worked with a cross section of the welfare applicants and recipients who were required to participate; monitored participation more closely; and, especially in Columbus and Grand Rapids, frequently invoked sanctions for nonparticipation.

C. Other Key Program Features

Other implementation features, beyond those discussed above, can also potentially influence a program's effectiveness. Two of them — the level of child care support provided and the structure of program case management — are described here.

All 11 studied programs offered child care assistance to welfare recipients who needed it while they were participating in program activities or employed. Oklahoma City, Portland, and

Detroit provided the strongest staff support for arranging child care. Staff in these programs helped to make child care arrangements and also helped those who found jobs to obtain transitional child care assistance. In contrast, case managers for both Riverside programs did not provide much assistance in setting up child care arrangements, encouraged enrollees to use low- or zero-cost informal child care while they were participating in program activities, and did not actively promote the use of transitional child care benefits.

The programs also differed in their case management strategies. Columbus Integrated, Portland, and Oklahoma City implemented an "integrated case management" staffing arrangement. That is, case managers in these sites combined responsibilities normally performed by income maintenance staff (determining welfare eligibility, calculating welfare grants, invoking financial penalties, and arranging for transitional benefits) with responsibilities usually assigned to welfare-to-work program staff (assigning enrollees to employment-related activities, arranging for child care, and monitoring participation). Columbus Integrated and Portland staff had sufficient resources and small enough caseloads to perform both of these roles, enabling them to promote a consistent self-sufficiency message. In contrast, in Oklahoma City limited resources and large caseloads led case managers to put most of their overall emphasis on the financial functions of their job.

The Atlanta, Grand Rapids, and Riverside LFA and HCD, Columbus Traditional, and Detroit programs all used a traditional case management structure, in which each welfare recipient had two different case managers. Commonly, income maintenance workers knew little about the welfare-to-work program in their site. Among these sites, the staffing division was most pronounced in Detroit.

III. Research Designs and Samples

In Atlanta, Grand Rapids, and Riverside welfare recipients were randomly assigned to either an LFA or an HCD program group or to a control group. (See Exhibit ES-2.) Both types of programs operated simultaneously in these three sites. In Columbus a three-group random assignment design was used as well. Here, the two program groups represented two case management models: integrated and traditional. The remaining three sites in the evaluation — Oklahoma City, Detroit, and Portland — used random assignment to test the effectiveness of established programs, as opposed to programs designed to meet research protocols; individuals were randomly placed in either a group that entered the program or a nonprogram control group. Note that control group members were eligible for child care assistance similar to that offered to program group members if they were participating in nonprogram activities in which they had enrolled on their own.

Individuals were randomly assigned to research groups over approximately a two-year period in each site. Random assignment for the evaluation began in June 1991 in Riverside and ended in December 1994 in Portland. Thus, the results presented in this report cover the calendar period from June 1991 (the first sample member's entry into the study) through December 1996 (the last month of the two-year follow-up for the last sample member randomly assigned in Portland).

Differences in research design and random assignment procedures affected the composition, and thus comparability, of the samples across sites. (See Exhibit ES-2.) In five of the seven sites AFDC applicants and recipients were randomly assigned while attending a program orientation; in the other two sites (Columbus and Oklahoma City) individuals were randomly assigned before they were referred to a program. Since some individuals typically exit welfare for employment or other reasons before attending a program orientation, the samples in Columbus and Oklahoma City include a larger share of individuals who quickly left welfare.[2]

The programs also differed in how broadly or narrowly they targeted enrollment. Most notably, Oklahoma City randomly assigned only welfare applicants (that is, persons in the process of applying for welfare), including those whose application for assistance was not yet approved. Additionally, Detroit, Grand Rapids, Oklahoma City, and Portland extended their program coverage to mothers with children as young as age 1, whereas the remaining programs exempted parents whose youngest child was under age 3. Riverside limited enrollment in its HCD program to individuals determined by program regulations to need basic education because they lacked a high school diploma or GED certificate, attained low scores on a reading or math exam administered at program entry, or had limited proficiency in English. Finally, other programs limited enrollment (and thus those eligible for random assignment) by capping caseloads for program staff and establishing waiting lists for enrollees (Atlanta) or by excluding those who, in the judgment of program staff, had serious barriers to participation (Portland).

Because of these and other factors, the research samples differed across the seven sites in key background characteristics likely to affect individuals' chances of finding employment and leaving welfare. For instance, excluding the Riverside HCD program, the proportion of sample members who had completed high school or attained a GED certificate prior to random assignment ranged from 55 percent (Oklahoma City) to 66 percent (Portland); the proportion who had ever worked full time for at least six months for the same employer ranged from 43 percent (Columbus) to 77 percent (Portland); and, excluding Oklahoma City, between 28 and 50 percent of sample members in the sites had received welfare cumulatively for five years or more.

IV. Findings

A. Program Participation and Enforcement

- **Many control group members took part in education and training activities on their own initiative. All programs, however, were able to increase participation levels in employment-related activities above the control groups' rate of activity during the two-year follow-up. The size of the increase was associated with the degree of enforcement of the participation mandate, but not with the program approach.**

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[2] Riverside, Grand Rapids, and Portland implemented an additional random assignment study of the effects — independent of participation in welfare-to-work program activities — of *referring* AFDC applicants and recipients to a welfare-to-work program. Random assignment for this study took place at income maintenance offices. The results of this supplemental study are not included in this report.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-2

Research Designs and Samples for the Seven Evaluation Sites

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Type of random assignment	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Two-way (1 program group, 1 control group)	Two-way (1 program group, 1 control group)	Two-way (1 program group, 1 control group)
Point of random assignment	Program orientation	Program orientation	Program orientation	Welfare application or redetermination	Program orientation	Welfare application	Program orientation
Type of study	Differential impacts of HCD and LFA approaches	Differential impacts of HCD and LFA approaches	Differential impacts of HCD and LFA approaches	Differential impacts of integrated and traditional case management strategies	Net impacts of established program	Net impacts of established program	Net impacts of established program
Sample composition (for this report)	AFDC applicants and recipients	AFDC applicants and recipients; teen parents (ages 18 and 19)	AFDC applicants and recipients	AFDC applicants and recipients	AFDC applicants and recipients; teen parents (ages 18 and 19)	AFDC applicants; teen parents (ages 16 to 19)	AFDC applicants and recipients
Age of sample members' youngest child	3	1	3	3	1	1	1

Between 19 and 42 percent of control group members surveyed in each site reported participating during the two-year follow-up period in an employment-related activity, such as basic education, skills training, post-secondary education, or formal job search. As shown in Exhibit ES-3, all programs increased participation beyond these levels of self-initiated activity, from 9 to 40 percentage points above control group participation levels. Overall, program participants were generally involved in activities for at least several months.

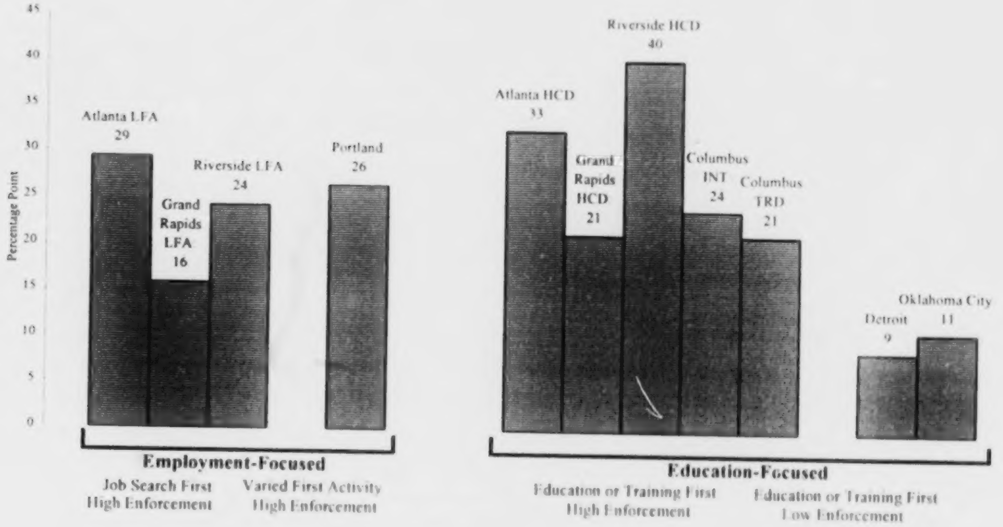
All but one of the programs with high enforcement of the participation mandate (including both employment- and education-focused programs) produced large impacts on participation (above 20 percentage points). Participation impacts were much smaller for the two low enforcement programs (Detroit and Oklahoma City). In these two sites the programs' efforts increased the number of welfare recipients who participated in activities only slightly beyond what they would have done on their own, in the absence of a mandatory welfare-to-work program.

- **As expected, all of the employment-focused programs produced large increases in participation in job search activities. Some also produced small increases in participation in education and training.**

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-3

Impacts on Participation in Any Employment-Related Activity



SOURCE: MDRC calculations from the Two-Year Client Survey.

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The four employment-focused programs increased job search participation by 27 (Grand Rapids LFA) to 32 percentage points (Portland and Riverside LFA), compared with control group levels. (See Exhibit ES-4.) The programs achieved large gains for people who entered the program with a high school diploma or GED certificate and for nongraduates. Enrollees in the employment-focused programs could be assigned to short-term education or training if they completed job search without finding employment (or, in Portland, at program entry). The Atlanta LFA and Portland programs produce small increases in participation in education or training.

- **Most of the education-focused programs raised participation levels in education or training. To a lesser extent, the programs also increased participation in job search.**

As shown in Exhibit ES-4, the education-focused programs increased participation in education or training by 10 to 35 percentage points (Oklahoma and Riverside HCD, respectively) compared with control group levels. (Detroit's increase in education or training participation was not statistically significant.)

While the increases for some programs were small when all sample members are considered, most of the education-focused programs achieved large increases in participation in education or training for sample members lacking a high school diploma or GED certificate at random assignment (not shown in Exhibit ES-4). Most of these increases are accounted for by participation in basic education.

When enrollees in the education-focused programs completed education or training, they were often assigned to job search. As Exhibit ES-4 illustrates, all of the education-focused programs raised job search participation levels to some extent; impacts were similar for high school graduates and nongraduates.

- **Most programs produced only small increases in participation in work experience or on-the-job training.**

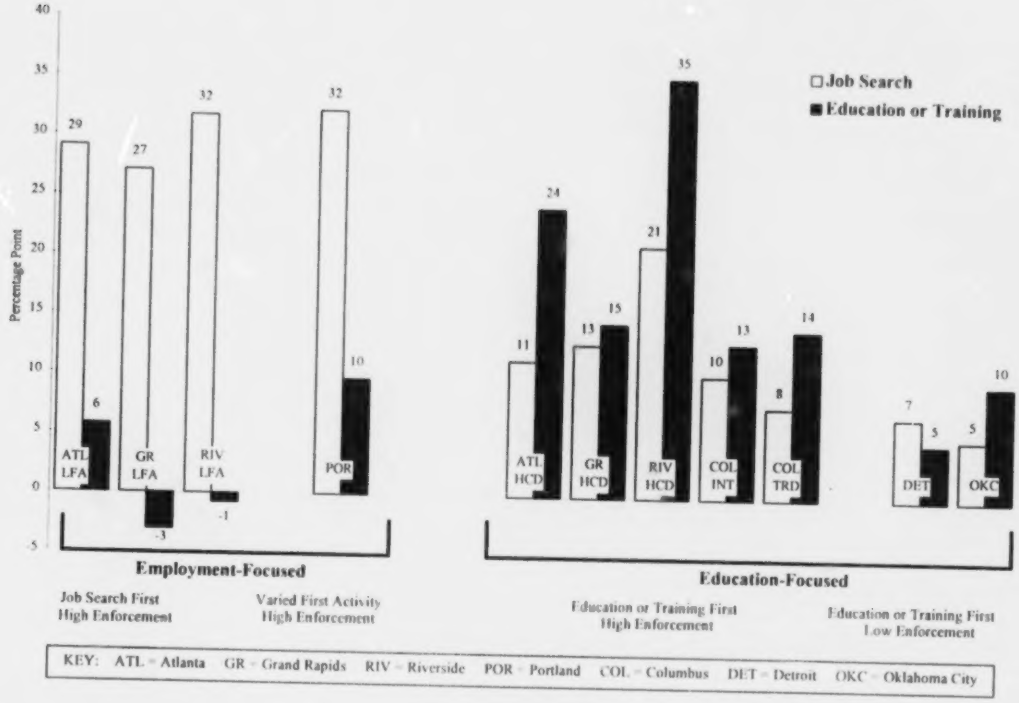
TANF participation requirements encourage states to enroll welfare recipients in unpaid work or on-the-job training. None of the programs in the evaluation made extensive use of these activities, but most were able to produce small impacts on participation in such activities because even fewer control group members participated in them. (Participation impacts on these activities are not shown in Exhibit ES-4.)

- **The 11 programs varied widely in their use of financial sanctions, or AFDC grant reductions, to enforce mandatory participation requirements. Sanction rates in most of the employment-focused programs were moderate, but rates in the education-focused programs ranged from very low to very high.**

National Evaluation of Welfare-to-Work Programs

Exhibit ES-4

Impacts on Participation in Job Search and Education or Training



SOURCE: MDRC calculations from the Two-Year Client Survey.

In three of the four employment-focused programs (Atlanta and Riverside LFA and Portland) between 11 and 18 percent of program group members reported that they were sanctioned for noncompliance with program participation requirements during the follow-up period. Three education-focused programs (Grand Rapids HCD and Columbus Integrated and Traditional) and an employment-focused program (Grand Rapids LFA) had high sanction rates, ranging from 26 to 32 percent of program group members. At the other extreme, almost no program group member in the low enforcement education-focused programs in Detroit and Oklahoma City reported being sanctioned.

B. Receipt of Education or Training Credentials

- **Some of the education-focused programs, as well as the Portland program, produced relatively large impacts on GED certificate attainment among sample members who entered the program without a high school diploma or GED certificate.**

As noted above, most education-focused programs increased participation in basic education among nongraduates, but only three of these programs (Grand Rapids and Riverside HCD and Columbus Traditional) increased GED certificate attainment for this subgroup. Impacts on GED receipt ranged from 8 to 11 percentage points. Notably, Portland achieved similar gains in GED receipt. (The other three employment-focused programs had no effect on GED attainment.)

- **For those entering with a high school diploma or GED, a few programs increased the proportion who received a trade license or certificate. One program increased the proportion of nongraduates who received a trade credential.**

Two education-focused programs (Atlanta and Grand Rapids HCD) and one employment-focused program (Atlanta LFA) increased receipt of a trade license or certificate for sample members in the graduate subgroup. Impacts ranged from 5 percentage points (Atlanta LFA) to 11 percentage points (Atlanta HCD). Portland increased receipt of a trade license or certificate by 12 percentage points among those entering the program without a high school diploma or GED. (Only Portland's program had this effect for the nongraduate subgroup.)

C. Employment and Earnings

- **Employment-focused programs produced larger gains in employment over the two-year follow-up period than most of the education-focused programs.**

Six of the seven sites in the evaluation experienced economic growth and strong labor markets during the first years of follow-up; aided by these conditions, a majority of control group members in these sites (from 58 to 72 percent) worked for pay at some point during the two-year follow-up period. Jobs were much harder to find in Riverside; only 45 percent of control group members were employed during the follow-up period.

As shown in Exhibit ES-5, all four employment-focused programs increased two-year employment levels, from 5 percentage points (Atlanta LFA) to 15 percentage points (Riverside LFA). (Exhibit ES-5 shows outcomes for both program and control groups and the differences between the two groups' outcomes, that is, the impacts; other exhibits present only the impacts for the various outcomes discussed.) As described above, education-focused programs delayed job finding in the short term. Not surprisingly, employment gains for most of these programs fell below those of the employment-focused programs. Three of the seven education-focused programs produced no statistically significant increase in employment (Columbus Integrated and Traditional and Oklahoma), and the other education-focused programs increased employment between 3 and 9 percentage points (Atlanta and Riverside HCD, respectively).

- **Employment-focused programs produced much larger gains in earnings over the two-year follow-up period than education-focused programs.**

Earnings for control group members in the seven sites averaged between $3,133 and $6,892 (including zeroes for those with no earnings) over the two-year follow-up period. As Exhibit ES-6 illustrates, Portland increased earnings by an average of $1,842 per program group member. This earnings gain is much larger than that of the other three employment-focused programs and exceeds that of all previously evaluated mandatory welfare-to-work initiatives, except

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-5

Program Impacts on Selected Measures of Earnings, Employment, and AFDC Payments and Receipt

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Ever employed in year 1or 2 (%)			
Atlanta Labor Force Attachment	3,833	66.1	61.6	4.5 ***	7.3
Grand Rapids Labor Force Attachment	3,012	77.7	70.1	7.6 ***	10.9
Riverside Labor Force Attachment	6,726	60.2	45.0	15.1 ***	33.5
Lacked high school diploma or basic skills	3,125	55.5	38.9	16.6 ***	42.7
Portland	5,547	72.1	60.9	11.2 ***	18.4
Atlanta Human Capital Development	3,881	64.4	61.6	2.8 **	4.6
Grand Rapids Human Capital Development	2,997	75.4	70.1	5.3 ***	7.6
Riverside Human Capital Development	3,135	48.2	38.9	9.3 ***	23.9
Columbus Integrated	4,672	73.9	72.2	1.7	2.3
Columbus Traditional	4,729	73.5	72.2	1.3	1.7
Detroit	4,459	62.3	58.2	4.1 ***	7.0
Oklahoma City	8,677	64.1	65.0	-0.9	-1.4
		Average total earnings in years 1 and 2 ($)			
Atlanta Labor Force Attachment	3,833	5,820	5,006	813 ***	16.2
Grand Rapids Labor Force Attachment	3,012	5,674	4,639	1,035 ***	22.3
Riverside Labor Force Attachment	6,726	5,488	4,213	1,276 ***	30.3
Lacked high school diploma or basic skills	3,125	4,124	3,133	992 ***	31.7
Portland	5,547	7,133	5,291	1,842 ***	34.8
Atlanta Human Capital Development	3,881	5,502	5,006	496 **	9.9
Grand Rapids Human Capital Development	2,997	5,219	4,639	580 **	12.5
Riverside Human Capital Development	3,135	3,450	3,133	317	10.1
Columbus Integrated	4,672	7,565	6,892	673 **	9.8
Columbus Traditional	4,729	7,569	6,892	677 ***	9.8
Detroit	4,459	4,369	4,001	367 *	9.2
Oklahoma City	8,677	3,518	3,514	5	0.1

(continued)

Exhibit ES-5 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Average total AFDC payments received in years 1 and 2 ($)			
Atlanta Labor Force Attachment	3,833	4,553	4,922	-368.6 ***	-7.5
Grand Rapids Labor Force Attachment	3,012	5,944	7,347	-1,403.7 ***	-19.1
Riverside Labor Force Attachment	6,726	8,292	9,600	-1,308.0 ***	-13.6
Lacked high school diploma or basic skills	3,125	8,894	10,302	-1,408.4 ***	-13.7
Portland	5,547	5,818	7,014	-1,196.3 ***	-17.1
Atlanta Human Capital Development	3,881	4,634	4,922	-287.5 ***	-5.8
Grand Rapids Human Capital Development	2,997	6,512	7,347	-835.1 ***	-11.4
Riverside Human Capital Development	3,135	9,253	10,302	-1,048.8 ***	-10.2
Columbus Integrated	4,672	4,775	5,469	-693.7 ***	-12.7
Columbus Traditional	4,729	4,939	5,469	-529.8 ***	-9.7
Detroit	4,459	8,457	8,615	-157.5 0.0	-1.8
Oklahoma City	8,677	3,391	3,624	-233.0 ***	-6.4
		Ever received any AFDC payments in final quarter of year 2			
Atlanta Labor Force Attachment	3,833	61.3	67.0	-5.7 ***	-8.5
Grand Rapids Labor Force Attachment	3,012	53.5	60.9	-7.4 ***	-12.1
Riverside Labor Force Attachment	6,726	50.0	56.4	-6.4 ***	-11.3
Lacked high school diploma or basic skills	3,125	54.2	60.0	-5.9 ***	-9.8
Portland	5,547	41.3	53.0	-11.7 ***	-22.1
Atlanta Human Capital Development	3,881	63.6	67.0	-3.5 **	-5.1
Grand Rapids Human Capital Development	2,997	54.3	60.9	-6.5 ***	-10.7
Riverside Human Capital Development	3,135	56.0	60.0	-4.1 **	-6.8
Columbus Integrated	4,672	47.1	53.8	-6.8 ***	-12.5
Columbus Traditional	4,729	49.3	53.8	-4.6 ***	-8.5
Detroit	4,459	70.1	73.7	-3.6 ***	-4.8
Oklahoma City	8,677	38.4	40.8	-2.5 **	-6.0

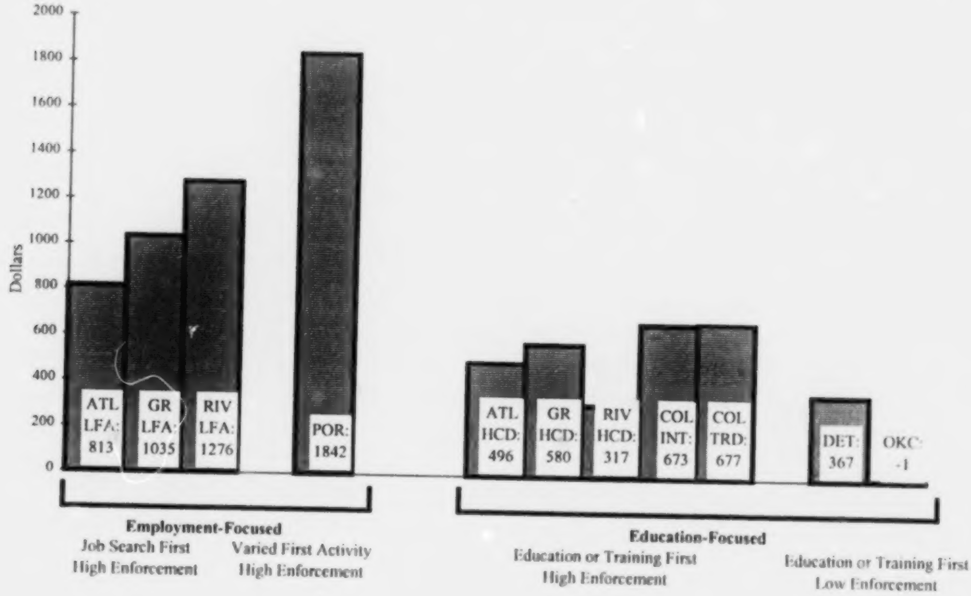
SOURCES: MDRC calculations from unemployment insurance (UI) earnings records and AFDC records.

the Riverside GAIN program of the late 1980s (another employment-focused, varied first activity program). Earnings gains in the other employment-focused programs in the evaluation were moderate, ranging from $813 to $1,276 (Atlanta LFA and Riverside LFA, respectively). Earnings gains in the education-focused programs were smaller; statistically significant gains ranged from $367 to $677 (earnings impacts in Riverside HCD and Oklahoma were not statistically significant). Neither of the two low enforcement programs (Oklahoma City and Detroit) produced substantial earnings increases.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-6

Impacts on Two-Year Earnings



SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

- **Over time, the employment and earnings gains diminished in most of the employment-focused programs, but increased in most of the education-focused programs. By the end of the two-year follow-up period some of the education-focused programs had "caught up" to the employment-focused programs.**

The earnings gains in two of the three LFA programs (Grand Rapids and Riverside) diminished over time, as increasing numbers of control group members began finding jobs on their own. In the last quarter of year 2 the three LFA programs raised employment levels by only 4 percentage points and increased average earnings by about $100. (Exhibit ES-7 shows employment levels over the follow-up period, averaged across programs within each approach.)

In contrast, gains increased in most of the education-focused programs. By the last quarter of year 2, impacts on employment and earnings for five education-focused programs (Atlanta and Grand Rapids HCD, Columbus Integrated and Traditional, and Detroit) were similar to or slightly larger than impacts for the three LFA programs: employment gains ranged from 3 to 6 percentage points and earnings gains ranged from $93 to $179. Overall, these results underscore the importance of tracking the effects of education-focused programs over a longer period than two years.

Unlike the effects in other employment-focused programs, in Portland positive effects on employment and earnings increased over time: in the last quarter of follow-up the program group employment level was 11 percentage points higher than the control group level, and the program group earned on average $310 more. These impacts are far larger than those of any other program in the evaluation.

- **Portland's program produced the largest, most consistent increases in employment stability and job quality during the follow-up period.**

Portland's employment-focused, varied first activity program increased the proportion of people who worked all four quarters of year 2 by 8 percentage points and who earned $10,000 or more in year 2 by 6 percentage points. At the end of year 2 (as measured from survey responses) the program increased the percentage of people working at full-time jobs and at jobs that offered health coverage. It also increased average hourly pay for those working, but this finding, since it is based on a nonexperimental comparison (different types of individuals in the program and control groups may have been working) is more speculative. The Riverside LFA program also increased full-time employment with health benefits and higher hourly earnings, but to a lesser extent than the Portland program. Contrary to expectations, the education-focused programs increased job quality to only a small extent or not at all by the end of two years.

D. Public Assistance Receipt and Payments

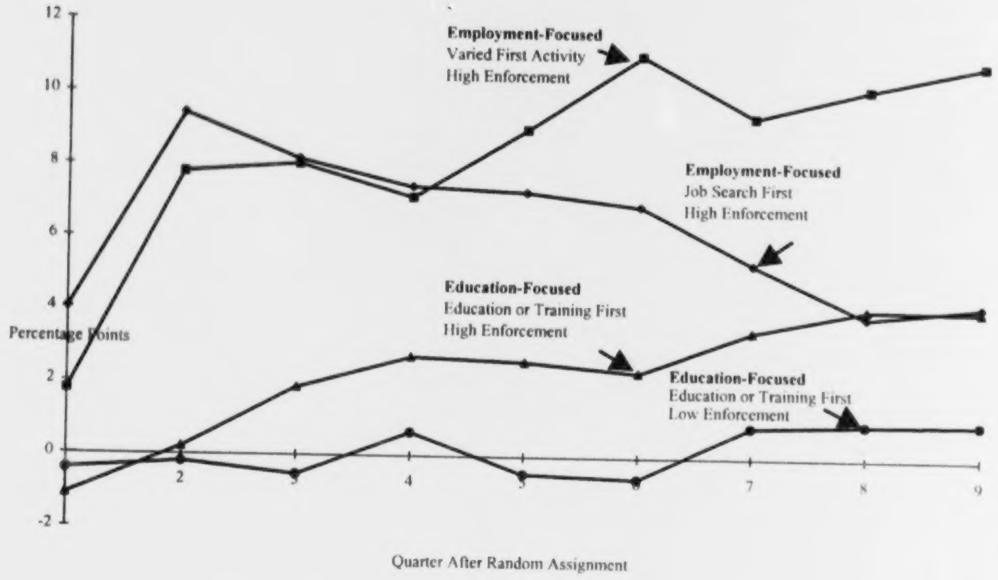
- **All programs reduced AFDC receipt to some degree. On average, decreases for the employment-focused programs were larger, but decreases for some education-focused programs rivaled or exceeded decreases for some employment-focused programs.**

All programs lowered the proportion of welfare recipients who would have reached a two-year welfare time limit, had one been in effect. Control group members in all but one site received AFDC for an average of 16 to 20 months during the two-year follow-up period. (The exception was Oklahoma City, where the all-applicant sample averaged 12 months of receipt.) The programs reduced the average number of months of AFDC receipt by 0.48 to 2.41 months

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-7

Quarterly Impacts on Employment Over Two Years, Averaged Across Sites by Approach



SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

(or 2 to 16 percent). Two employment-focused programs, Grand Rapids LFA and Portland, produced the largest decreases (2.21 months and 2.41 months, respectively). Decreases for the education-focused programs ranged from 0.48 to 1.58 months.

In the last quarter of follow-up between 41 percent (in Oklahoma City) and 74 percent (in Detroit) of control group members received an AFDC check. Portland produced the largest reduction in the proportion of sample members receiving AFDC at this point (12 percentage points). Among the other programs, reductions in the proportion receiving AFDC at the end of year 2 ranged from 6 to 7 percentage points for the three LFA programs and from 3 to 7 percentage points for the education-focused programs.

- **All programs but one decreased average AFDC payments over the two-year follow-up period.**

Control group members received AFDC payments over the two years averaging between $3,624 and $10,302 (including those who left welfare during the two-year follow-up period).

Three employment-focused programs (Grand Rapids and Riverside LFA and Portland) and one education-focused program (Riverside HCD) reduced payments by more than $1,000 (representing decreases of 10 to 19 percent, relative to payments to the control group). (See Exhibit ES-8.) Three other programs, all education-focused (Grand Rapids HCD and Columbus Integrated and Traditional), also reduced two-year welfare expenditures per program group member by 10 percent or more. Detroit's program produced only a slight, not statistically significant, decrease in AFDC payments over the two years.

- **Most programs reduced Food Stamp receipt and expenditures during the follow-up period.**

Eight of the 11 programs decreased average Food Stamp expenditures over the two-year follow-up period and decreased the proportion of people who received Food Stamps in the last quarter of year 2. Decreases in two-year expenditures ranged from 2 to 13 percent and decreases in receipt at the end of follow-up ranged from 4 to 8 percentage points. One employment-focused program and two education-focused programs had no effect on Food Stamp receipt (Atlanta LFA and HCD and Oklahoma City).

E. Employment and Welfare Status at the End of Two Years

- **In all programs a substantial proportion of enrollees were receiving AFDC at the end of the two-year follow-up period.**

Across all programs as many as 7 in 10 program group members (in Detroit) remained on welfare at the two-year mark. Even in programs that moved the largest proportion of sample members off welfare, at least 4 in 10 enrollees remained on welfare. This offers a caution to states striving to achieve very rapid self-sufficiency for virtually all welfare recipients.

- **Most programs increased the proportion of people who were working and not receiving AFDC at the end of the follow-up period.**

In the last quarter of year 2 between 13 and 27 percent of control group members were employed and receiving no AFDC payments. All programs but two (Riverside HCD and Oklahoma City) increased the proportion of people in this status. (See Exhibit ES-9.) Impacts were generally small, with two programs (Portland and Columbus Integrated) achieving moderate increases. The impacts, which ranged from 2 to 9 percentage points, were not associated with program approach.

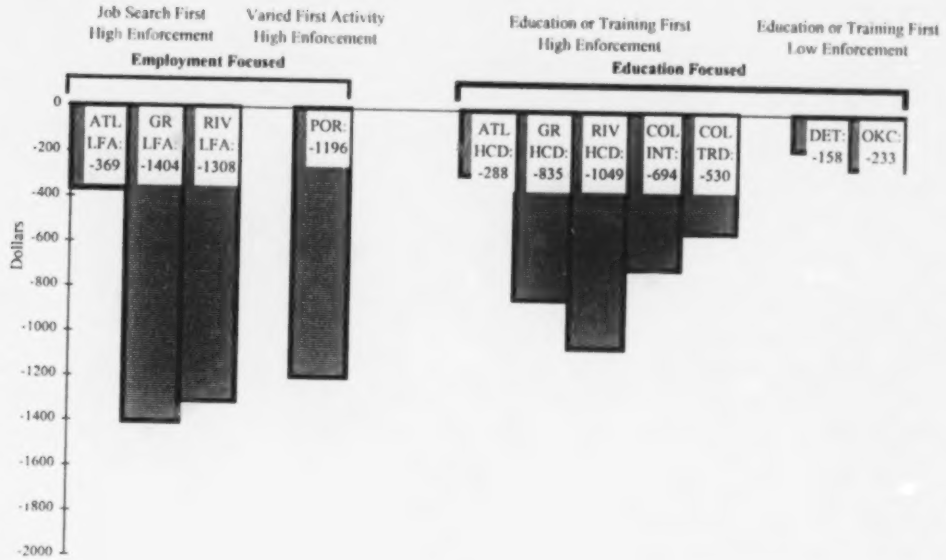
- **Several programs representing both approaches slightly increased the rate at which individuals left welfare without a job.**

The proportion of control group members who were not employed and not receiving AFDC in the last quarter of year 2 ranged from 12 to 37 percent. All of the employment-focused programs and three of the seven education-focused programs increased the percentage of sample members in this status at the end of two years. (See Exhibit ES-9.) Increases were small in every program, ranging from 2 to 5 percentage points. The majority of people in this status reported having some other source of income and/or living with someone else who worked or who had another source of income.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-8

Impacts on Two-Year Welfare Payments



SOURCE: MDRC calculations from state and county AFDC records.

F. Income and Poverty

- **Most programs had little or no effect on income.**

In the second year of follow-up control group members averaged between $5,596 (Oklahoma City) and $9,322 (Detroit) in combined income from earnings, AFDC, and Food Stamps. Few programs substantially altered these combined income levels; in general, reductions in AFDC, Food Stamps and other benefits matched or exceeded earnings gains. However, in three programs — Grand Rapids and Riverside LFA (employment-focused) and Riverside HCD (education-focused) — combined income in the second year of follow-up was reduced by $230 to $571, or 3 to 7 percent. (See Exhibit ES-10.) In Portland (employment-focused) and Atlanta HCD (education-focused) combined income increased in the second year by $425 and $295, or 5 and 4 percent, respectively. This combined income measure includes estimates of the EITC; when EITC estimates are not included, losses and gains are somewhat smaller, the Portland and Atlanta HCD gains are no longer statistically significant, and a small loss in the Grand Rapids LFA program becomes statistically significant.

National Evaluation of Welfare-to-Work

Exhibit ES-9

Impacts on Employment and Welfare Status at the End of Two Years

Site and Program	Employed and off AFDC	Employed and on AFDC	Not Employed and on AFDC	Not Employed and off AFDC
Atlanta Labor Force Attachment	3.6	0.8 *ns*	-6.5	2.1
Grand Rapids Labor Force Attachment	2.8	1.3 *ns*	-8.7	4.6
Riverside Labor Force Attachment	2.3	1.9	-8.3	4.1
Portland	9.3	1.6	-13.3	2.5
Atlanta Human Capital Development	3.4	2.7	-6.2	0.1 *ns*
Grand Rapids Human Capital Development	4.1	-0.1 *ns*	-6.4	2.4
Riverside Human Capital Development	-0.7 *ns*	2.6	-6.7	4.8
Columbus Integrated	6.6	-1.6 *ns*	-5.2	0.1 *ns*
Columbus Traditional	4.6	-1.1 *ns*	-3.5	0.0 *ns*
Detroit	2.9	0.2 *ns*	-3.8	0.7 *ns*
Oklahoma City	-0.6 *ns*	-0.5 *ns*	-2.0	3.1

SOURCE: MDRC calculations from administrative records.

NOTE: Ns = not statistically significant.

- **Because income changes were minor, few programs lifted many families out of poverty. Some programs, however, had the effect of pushing a small proportion of families deeper into poverty.**

By design, the combined income from welfare and Food Stamp grants provides less than poverty-level income. Only by working can people hope to attain enough income to escape poverty. In the second year of follow-up between 11 and 26 percent of control group members had combined income from earnings, AFDC, Food Stamps, and estimated EITC receipt that equaled or exceeded the federal poverty level. Five programs increased the proportion of people living at or above poverty by a small amount. (See Exhibit ES-10.) Portland was the most successful, producing a 7.5 percentage point gain; impacts for other programs were small, ranging from 2 to 3 percentage points. Program-control differences for most of the other seven programs were positive but very small and not statistically significant.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-10

Impacts on Income and Poverty Status in Year 2

Site and Program	Combined Income ($)	At or Above Poverty Level (%)	Below 50% of Poverty Level (%)
Atlanta Labor Force Attachment	246 *ns*	2.9	1.7 *ns*
Grand Rapids Labor Force Attachment	-230 *ns*	1.5 *ns*	4.7
Riverside Labor Force Attachment	-283	2.4	4.9
Portland	425	7.5	2.1 *ns*
Atlanta Human Capital Development	295	2.8	1.9 *ns*
Grand Rapids Human Capital Development	-54 *ns*	0.0 *ns*	3.1
Riverside Human Capital Development	-571	0.6 *ns*	6.1
Columbus Integrated	47 *ns*	1.5 *ns*	2.5
Columbus Traditional	91 *ns*	1.2 *ns*	2.1 *ns*
Detroit	166 *ns*	2.5	-0.1 *ns*
Oklahoma City	-153 *ns*	-0.1 *ns*	2.4

SOURCE: MDRC calculations from administrative records.

NOTE: Ns = not statistically significant.
All impacts include EITC estimates.

In the second year of follow-up between 19 and 48 percent of control group members had combined income, including estimated EITC, totaling less than 50 percent of the poverty line. Six programs (both employment- and education-focused) slightly increased the proportion of sample members living below 50 percent of the poverty level; they led to increases of between 2 and 6 percentage points in the proportion of individuals living deeply in poverty.

G. Health Care Coverage and Child Care Expenses

- **Some programs that increased employment levels and decreased welfare receipt also decreased reported rates of health care coverage.**

At random assignment, almost all sample members in the evaluation had health coverage because they were receiving AFDC and were automatically covered under Medicaid. (In Oklahoma City, applicants for assistance whose eligibility was not yet determined were included in the sample, so initial coverage rates there were lower.) Over time, coverage rates declined for both program and control group members, as some people left AFDC and did not replace their Medicaid coverage with coverage from employers or other sources. By the end of the follow-up period between 81 percent (Columbus) and 88 percent (Detroit) of control group members reported having health coverage for themselves and their children. (This range covers all sites except Oklahoma, where 68 percent reported coverage for themselves and their children.)

Two employment-focused programs (Riverside LFA and Portland) and one education-focused program (Columbus Integrated) that increased employment and decreased welfare receipt at the end of follow-up period also lowered health care coverage levels by 4 to 7 percentage points. (Impacts in Portland were not statistically significant, but were just beyond the .1 level of statistical significance used as the standard throughout this report.) Although many program group members who left AFDC (and automatic Medicaid coverage) found jobs that provided health insurance, received Transitional Medicaid benefits, or obtained alternative sources of coverage, others were not able to replace the coverage they had under Medicaid. Some of these respondents never received Transitional Medicaid, and others had exhausted or had not restarted their benefits at the end of the two-year follow-up period.

Program group members in Oklahoma City reported even larger decreases in coverage — 11 percentage points. This program decreased welfare receipt and appears to have increased short-term employment — in jobs not reported to the states' unemployment insurance system — that did not provide health insurance, especially for sample members' children. The other seven programs in the evaluation did not affect health coverage rates for respondents or children.

- **Some programs increased child care use while employed and out-of-pocket child care expenditures, an increase due to greater child care use among those who found jobs as well as an overall increase in employment levels.**

Between 29 and 44 percent of all control group members (including those who never worked) used child care while employed at some point during the two-year follow-up period. Seven programs — the four employment-focused programs and three of the seven education-focused programs — produced moderate to large increases in child care use while employed, ranging from 4 to 13 percentage points. Impacts on paid child care use, that is, care paid for by either the sample member, the welfare department, the father of the child(ren), or the sample member's employer, were found in nine programs and were similar in magnitude.

The increases in child care use and in paid care use while employed are not entirely explained by the programs' impacts on employment; in many programs, of those who worked during the follow-up period, a greater proportion of program group members than control group members used child care (or paid care) as well. The likely explanation for this finding is that employed program group members required or preferred more stable child care arrangements than employed control group members. This could be partly due to differences in the characteristics of the jobs acquired by program and control group members (for example, program group members' jobs were more likely to be full time). It is also possible that program group members heeded the messages they were given by their caseworkers — messages probably delivered more frequently to program than control group members — concerning the importance of obtaining paid, stable child care.

Relatively few program and control group members used transitional child care benefits. Five programs increased the use of such benefits, but these effects were large only in Atlanta

LFA and Portland, where increases of 7 and 11 percentage points in the receipt of these benefits, respectively, were found.

H. Well-Being of Children

- **Some of the welfare-to-work programs affected children, although the effects were not large or consistent across outcome measures or programs. Notably, the found effects on children were both positive and negative.**

The NEWWS Evaluation is one of the first random assignment evaluations of mandatory welfare-to-work programs to examine programs' effects on the well-being of children. The children of sample members in the evaluation were often quite young. As noted earlier, in three of the sites women with children as young as age 3 were required to participate in welfare-to-work programs; in the other four sites the mandate was extended to include women with children as young as age 1. Because many of the child outcome measures used in the evaluation pertained only to children of school age, however, the child impacts discussed here are primarily for the subgroup of sample members who had no children under age 6.

Control group members in the seven sites had, on average, two to three children. Across the sites an average of one-quarter of the control group members in the subgroup with no children under age 6 reported that at least one of their children had been suspended from school at some point during the two-year follow-up period. A smaller share of control group members — 8 percent to 23 percent, depending on the site — reported having a child who had repeated a grade in school during the follow-up period. A relatively small proportion of all control group members — less than 8 percent in any site — reported that a child had been removed from their care during the two-year follow-up period.

On measures of children's behavioral adjustment, such as suspension from school, eight of the programs produced at least one statistically significant effect on children among the subgroup of families with no children under age 6. (See Exhibit ES-11.) Three programs decreased the incidence of at least one behavioral problem, and five programs increased the frequency of at least one. Only two programs, however, had an effect on more than one behavioral adjustment measure. Fewer program effects were found on children's progress in school, such as grade repetition, than on behavioral problems. Only two programs had any effects in this area, but, notably, these effects were favorable. Effects on children's health and safety were also rare. Only two programs had any effect on children being removed from their mother's care (small increases in the incidence of this event) and no programs affected the likelihood of children being taken to the hospital because of an accident, injury, or poisoning.

- **No explanations are clearly evident regarding the mechanisms through which some of the programs affected children.**

Program-specific differences in employment/education focus, sanctioning practices, and impacts on adult educational attainment, employment, and household composition could not be clearly linked to the programs' effects on children. It could be that reductions in income played a role: some evidence suggests that those few programs that raised earnings levels, but reduced welfare and Food Stamps even more, resulted in adverse effects on children. In addition, child

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-11

Impacts on Child Outcomes for Subgroup of Families with No Children Under Age 6

Site and Program	Behavioral Adjustment			School Progress		Health and Safety	
		Behavioral or Emotional Problems[a]	Attends a Special Class for Behavioral Problems	Repeated a Grade	Attends a Special Class for Learning Problems	Removed from Mother's Care	Taken to Hospital for Accident, Injury, or Poisoning
Atlanta Labor Force Attachment	-3.5 *ns*	-4.4	-4.0	-1.4 *ns*	-1.2 *ns*	-1.6 *ns*	-1.9 *ns*
Grand Rapids Labor Force Attachment	4.9 *ns*	1.9 *ns*	9.5	4.2 *ns*	3.5 *ns*	-0.2 *ns*	-1.3 *ns*
Riverside Labor Force Attachment	6.8	-2.3 *ns*	3.7	-3.2	-0.5 *ns*	-0.2 *ns*	1.4 *ns*
Lacked high school diploma or basic skills	2.2 *ns*	-2.6 *ns*	3.9 *ns*	-3.9 *ns*	2.8 *ns*	-0.1 *ns*	-2.5 *ns*
Portland	-9.4 *ns*	-11.3	-2.5 *ns*	-1.2 *ns*	-0.2 *ns*	-1.7 *ns*	3.0 *ns*
Atlanta Human Capital Development	0.1 *ns*	-2.5 *ns*	1.1 *ns*	0.1 *ns*	0.0 *ns*	-0.7 *ns*	0.9 *ns*
Grand Rapids Human Capital Development	1.9 *ns*	3.7 *ns*	8.7	-0.2 *ns*	4.8 *ns*	4.0	-1.7 *ns*
Riverside Human Capital Development	1.5 *ns*	1.1 *ns*	5.1	-1.8 *ns*	3.8 *ns*	1.4 *ns*	-0.1 *ns*
Columbus Integrated	-3.1 *ns*	-6.7 *ns*	-5.9	-3.2 *ns*	-10.1	1.2 *ns*	2.5 *ns*
Columbus Traditional	3.7 *ns*	2.7 *ns*	-1.6 *ns*	-3.6 *ns*	-3.3 *ns*	6.0	4.8 *ns*
Detroit	-2.1 *ns*	1.6 *ns*	2.8 *ns*	-1.9 *ns*	0.8 *ns*	1.1 *ns*	9.1 *ns*
Oklahoma City	11.1 *ns*	17.3	2.0 *ns*	5.9 *ns*	-3.3 *ns*	1.8 *ns*	-0.3 *ns*

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: [a] Includes both respondents who reported that any of their children received help for behavioral or emotional problems and respondents who felt that any of their children needed to get this kind of help, if they were not already receiving it.

Ns = not statistically significant.

care policies may have made a difference in the programs' effects on children. Finally, the environments in which the programs operated (for example, their labor markets) may have been important. Further research is needed to decide if or how these factors mediate the effects of welfare-to-work programs on children.[3]

I. Key Subgroups of Welfare Recipients

- **Interestingly, employment-focused programs were more likely than education-focused programs to achieve employment and earnings gains over the two-year follow-up period for those who entered the study without a high school diploma or GED certificate, but the difference in impacts narrowed by the end of the second year.**

Many programs produced employment and earnings gains for both those with and those without a high school diploma or GED at random assignment. (See Exhibit ES-12.) Among nongraduates all of the employment-focused programs boosted two-year employment levels — by more than 10 percentage points in Riverside LFA and Portland — and increased average earnings per program group member in year 2. In contrast, only three of the seven education-focused programs increased employment levels over two years, and only two programs increased year 2 average earnings.

At the end of the follow-up, however, one education-focused program (Columbus Integrated) was achieving the largest earnings gains of any program for nongraduates, and two others (Grand Rapids HCD and Columbus Traditional) attained larger earnings and/or employment impacts than two of the employment-focused programs (Atlanta and Riverside LFA). These results suggest that additional follow-up will be necessary to determine which kind of program approach is more effective for nongraduates in the long run.

- **Several programs produced moderate to large employment and earnings gains for the "most disadvantaged" sample members.**

Between 5 percent (Oklahoma City) and 28 percent (Riverside HCD) of the sample members in each site were welfare recipients who at study entry did not have a high school diploma or GED, had not worked in the prior year, and had received AFDC cumulatively for two years or more. Only a small proportion of control group members in this most disadvantaged subgroup became employed on their own during the two-year follow-up period (less than half in any site).

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[3] The Child Outcomes Study, conducted by Child Trends as part of the NEWWS Evaluation, also examines the effects of welfare-to-work programs on the children of LFA, HCD, and control group members in Atlanta, Grand Rapids, and Riverside. This study uses a more comprehensive set of data about young children's development, but only for children aged 3 to 5 at random assignment. See Sharon M. McGroder et al., *Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study* (Washington, D.C.: U.S. Department of Health and Human Services and U.S. Department of Education, 2000). For a synthesis of the child research conducted thus far as part of the NEWWS Evaluation, see Gayle Hamilton, *Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies* (Washington, D.C.: U.S. Department of Health and Human Services and U.S. Department of Education, 2000).

Five programs (Grand Rapids and Riverside LFA and HCD and Portland) increased employment and earnings for the most disadvantaged subgroup. (See Exhibit ES-13.) Each of these programs increased the proportion who worked for pay during the follow-up period by more than 10 percentage points. Gains in year 2 earnings were moderate ($800 or more) in two employment-focused programs (Grand Rapids LFA and Portland) and smaller (between $605 and $667) in the three other programs. These programs and two others (Detroit and Columbus Integrated) also reduced the amount of time that these most disadvantaged individuals received AFDC during the two-year follow-up period.

- **Overall, both program approaches were less successful in helping people who had worked in the year before program entry, that is, a less disadvantaged subgroup of the caseload.**

Between 22 percent (Riverside HCD) and 55 percent (Oklahoma City) of sample members in each site had worked for pay during the year prior to random assignment; 63 to 89 percent

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Exhibit ES-12

Year 2 Earnings Impacts for Subgroups Based on Educational Attainment at Study Entry

Site and Program	With High School Diploma or GED ($)	Without High School Diploma or GED ($)
Atlanta Labor Force Attachment	483	427
Grand Rapids Labor Force Attachment	352 *ns*	728
Riverside Labor Force Attachment	795	375
Portland	1,371	881
Atlanta Human Capital Development	439	276 *ns*
Grand Rapids Human Capital Development	574	312 *ns*
Riverside Human Capital Development	n/a	121 *ns*
Columbus Integrated	383 *ns*	779
Columbus Traditional	513	412
Detroit	311 *ns*	279 *ns*
Oklahoma City	1 *ns*	-25 *ns*

SOURCE: MDRC calculations from administrative records.

NOTE: NS = not statistically significant.

of control group members with this characteristic, depending on the site, became employed at some point during the two-year follow-up period.

Only two employment-focused programs (Grand Rapids LFA and Portland) and one education-focused program (Grand Rapids HCD) increased both employment and earnings beyond what would have happened in the absence of the programs, for these sample members. Given the large proportion of control group members in this subgroup with employment and earnings in the two-year follow-up, impacts for this subgroup, when expressed as a percentage change, were rather small.

V. Conclusions

This evaluation, which used a random assignment experiment, provides solid information about the effectiveness of various types of welfare-to-work program approaches. Its unusually strong research design isolates the effects of the programs themselves; the results reported above thus can be confidently attributed to the programs operated in the seven sites and not to improvements in the sites' labor markets, population changes, or other policy reforms.

National Evaluation of Welfare-to-Work Strategies

Exhibit ES-13

Year 2 Earnings Impacts for Subgroups Based on Level of Disadvantage at Study Entry

Site and Program	Most Disadvantaged ($)	Worked in Prior Year ($)
Atlanta Labor Force Attachment	380	191 *ns*
Grand Rapids Labor Force Attachment	800 *ns*	682
Riverside Labor Force Attachment	613	387 *ns*
Portland	838	631
Atlanta Human Capital Development	12 *ns*	23 *ns*
Grand Rapids Human Capital Development	667	575
Riverside Human Capital Development	605	-122 *ns*
Columbus Integrated	448	613
Columbus Traditional	279 *ns*	340 *ns*
Detroit	191 *ns*	586
Oklahoma City	-90 *ns*	8 *ns*

SOURCE: MDRC calculations from administrative records.

NOTE: Ns = not statistically significant.

The report's findings, in conjunction with those of previous studies, suggest that strongly employment-focused programs that offer a variety of employment services are more effective than programs that offer primarily job search or education and training. Portland's employment-focused, varied first activity program stands out as unusually successful among the 11 programs in this evaluation. The Riverside GAIN (Greater Avenues for Independence) program of the late 1980s, often considered the benchmark for other welfare-to-work programs, was also an employment-focused, varied first activity program. Both Portland and Riverside GAIN substantially increased employment levels, produced the largest earnings gains ever found for mandatory welfare-to-work programs, and had large impacts on welfare receipt. Both were successful for a wide range of subgroups, including the more disadvantaged members of the caseload. Operationally, the programs stressed the importance of finding jobs and enforced program participation requirements, but they offered many different services, including job search (along with job development), short-term education, and, in Portland, training. In both programs people considered not ready to enter the labor market were first assigned to basic education or, in Portland, to training or life skills classes. Although the 1996 welfare law encourages an employment focus, the available research findings indicate that states can augment the success of their programs by offering education and training as well as job search.

The report also illustrates, however, the limitations of even high-performing welfare-to-work programs: Although all of the programs in this evaluation had some positive effects, they generally did not produce large changes in people's lives during the follow-up period. For example, the programs helped a substantial number of individuals replace income from AFDC and Food Stamps with income from jobs, but had not, as of two years, lifted many families out of poverty. (Additional years of follow-up may show income gains, partly because of the increase in the value of the EITC in recent years.) Also, although all programs reduced welfare dependency to some degree, many people were still on welfare at the end of the two-year follow-up period (between 38 and 70 percent of those subject to the programs, depending on the site).

Proponents of welfare time limits contend that the impending assistance cutoff will spur people into the labor market and promote self-sufficiency. The programs in this evaluation, which are similar to many programs being run under the new welfare law, operated without such a welfare time limit. (In addition, these programs did not try to meet the new law's participation goals, impose full-family financial sanctions, or put in place the generous financial work incentives of many current programs. They also did not have available to them the recent and substantial increases in federal funding for child care or expanded eligibility for health insurance through Medicaid and the State Children's Health Insurance Program.) Future research will indicate whether programs run in conjunction with time limits or other recent welfare policy changes will be considerably more successful than the programs previously operated. The present study does suggest, however, that strategies are needed to enable newly employed individuals to keep working and to help them raise their earnings. Even in the very successful Portland program, less than one-third of all program group members worked in all four quarters of the second year of follow-up; less than one fifth of the total sample earned at least $10,000 in that same year. Future programs will need to produce more sustained employment impacts and much bigger earnings impacts than those produced by any pre-TANF program that has been studied so far if large numbers of people are to find employment that can adequately support their children before reaching a welfare time limit.

Chapter 1

Introduction

For the past 30 years, federal and state policymakers have been looking for new and better ways to help welfare recipients go to work. Beginning in the late 1960s, in response to dissatisfaction with the Aid to Families with Dependent Children (AFDC) program, Congress began to reshape it, creating a program to encourage welfare recipients to get jobs. In 1988 the Family Support Act (FSA) established a system of mutual obligation within the AFDC entitlement structure, under which government was to provide education, employment, and support services to AFDC recipients who were, in turn, required to participate in the Job Opportunities and Basic Skills Training (JOBS) program. The most recent federal reform effort, the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), replaced AFDC with a block grant program, Temporary Assistance for Needy Families (TANF); limited most families to five years of federal TANF assistance (with some states having shorter welfare time limits); and created financial incentives for states to run mandatory, work-focused welfare-to-work programs. PRWORA gives states more flexibility than before in designing their programs (which has encouraged, for example, more states to implement generous financial work incentives) and more responsibility for moving the nation's poor into the labor market.

This report contains the two-year results (within the overall period 1991-96) from an evaluation of 11 welfare-to-work programs — the National Evaluation of Welfare-to-Work Strategies (NEWWS) — begun under the FSA. The evaluation is being conducted by the Manpower Demonstration Research Corporation (MDRC) under contract to the U.S. Department of Health and Human Services (HHS), with support from the U.S. Department of Education. Child Trends, as a subcontractor, is conducting the analyses of outcomes for young children (the Child Outcomes Study). The evaluation includes programs in seven sites across the country: Atlanta, Georgia (Fulton County); Grand Rapids, Michigan (Kent County); Riverside, California (Riverside County); Columbus, Ohio (Franklin County); Detroit, Michigan (Wayne County); Oklahoma City, Oklahoma (Oklahoma, Cleveland, and Pottawatomie counties); and Portland, Oregon (Multnomah and Washington counties).[1] The strong random assignment design of the evaluation provides solid information on the types of welfare-to-work program approaches that can move substantial numbers of people into work and off welfare without adversely affecting their families' or children's well-being.

Two other reports should be viewed as "companion" documents to this report: *Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study* (McGroder et al., 2000), and *Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies* (Hamilton, 2000).

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[1] The programs and individuals studied in this evaluation are drawn from the entire county (or counties) mentioned in parentheses after the city name; for ease of reference, in this report the sites will be referred to by the name of their corresponding urban area.

I. A Framework for Understanding the Programs' Results

The FSA gave program administrators a great deal of flexibility in designing the 11 programs studied in the National Evaluation of Welfare-to-Work Strategies. That flexibility, combined with local economic, political, and funding environments, resulted in 11 programs that vary on several dimensions of implementation. This report focuses on two of those dimensions: the self-sufficiency approach used and the level of participation mandate enforcement.

While the overarching goal of programs run over the past 30 years — to foster the self-sufficiency of recipients through increased employment and decreased welfare receipt — has not changed, there has been disagreement on how best to move individuals from welfare to work. One strategy emphasizes quick employment, reflecting the belief that individuals can best build their employability, and eventually achieve self-sufficiency, through actual work, even if their initial jobs are minimum wage and without fringe benefits. The other strategy emphasizes skill-building, particularly in the education area, reflecting the view that individuals should first invest in education or training, to enable them to obtain higher-wage, longer-lasting jobs with health insurance coverage. Most programs have blended the two strategies and emphasized elements of both. Past research has shown that a program's location on the theoretical continuum between these two strategies, and the mix of services it provides to enrollees, can have a distinct effect on the patterns and magnitude of program impacts measured in the short and long term.[2]

The programs in this report have been divided into those that use an employment-focused approach and those that use an education-focused approach to promote self-sufficiency. The report builds on and expands an earlier examination of three sites in the evaluation (Atlanta, Grand Rapids, and Riverside) that simultaneously implemented a Labor Force Attachment (LFA) program and a Human Capital Development (HCD) program, versions of employment-focused and education-focused programs that magnified the differences between the two types of approaches. These six programs in these three sites provide the best test of the relative effectiveness of the two approaches.[3] The final site, Columbus, was also asked to implement two different programs in a head-to-head test. One program used an "integrated case management" staffing structure, in which one worker assumes responsibility for both eligibility and employment and training for her clients. The other program used a "traditional case management" staffing structure, in which separate workers handle the eligibility and employment and training duties. These programs are called the Columbus Integrated and Traditional programs. Program administrators in the other four sites chose which self-sufficiency approach to implement based on their own goals. Taken together, four programs (Atlanta LFA, Grand Rapids LFA, Riverside LFA, and Portland) were employment-focused; the remaining seven were education-focused.

In the LFA versions of the employment-focused program, almost all enrollees were first assigned to job search. In Portland, the other employment-focused program, many, but not all, individuals were assigned to job search as a first activity. Some individuals, usually those who were determined to have more barriers to work than other members of the caseload, were first assigned to education or training activities. In the three HCD education-focused programs, as well as in the four other education-focused programs, almost all individuals were first assigned to either education or occupational skills training activities.

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[2] See Friedlander and Burtless, 1995; Bloom, 1997; and Riccio, Friedlander, and Freedman, 1994.

[3] Hamilton et al., 1997, presents two-year results for the six programs; future reports from this evaluation will document how each fared in the long term.

Past research also suggests that the degree to which a program enforces a participation mandate for the welfare caseload is a determinant of whether a program can have an effect.[4] High or low enforcement of the mandate is a product of three factors: how wide a cross section of the welfare caseload is enrolled in a program; how closely a program monitors individuals' participation; and how swiftly and consistently a program imposes financial sanctions, that is, reductions in monthly welfare grants, on those who do not participate. Nine of the NEWWS programs were high enforcement programs; Detroit and Oklahoma City were not, mostly because of limited program and staff resources.

Table 1.1 categorizes the 11 NEWWS programs according to their self-sufficiency approach and level of enforcement of the participation mandate. Chapter 3 discusses in greater detail these dimensions of the programs, as well as others that may have affected program impacts.

National Evaluation of Welfare-to-Work Strategies

Table 1.1

Categorizing NEWWS Programs, by Approach, First Activity, and Enforcement Level

Employment-focused approach		Education-focused approach	
Job search first	Varied first activity	Education or Training	
High Enforcement	High Enforcement	High Enforcement	Low Enforcement
Atlanta LFA Grand Rapids LFA Riverside LFA	Portland	Atlanta HCD Grand Rapids HCD Riverside HCD Columbus Integrated Columbus Traditional	Detroit Oklahoma City

II. Research Questions and Design

Within the above categorization scheme, the report analyzes the programs' effects for single-parent welfare recipients, focusing on results for the two years after individuals entered the programs, an important period in which to gauge whether programs moved recipients from welfare to work. Presently, many states and localities terminate welfare eligibility after two years. In addition, prior research has shown that many individuals on welfare for at least two years will likely remain on the rolls for a considerably longer time.[5] Under TANF, these individuals would be in jeopardy of reaching their five-year limit on federal funding for welfare benefits. Consequently, the two-year results for these 11 programs will serve as a benchmark for the next generation of welfare initiatives.

Specifically, the report addresses the following questions:

- Which welfare-to-work program approaches were most successful in helping welfare recipients to receive the program services or attain the skills or credentials that could enhance their chances of finding employment?

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[4] See Bloom, 1997, p. 51; Kemple, Friedlander, and Fellerath, 1995, pp. ES-2 and ES-3; and Friedlander et al., 1987, pp. vii-x.

[5] See Bane and Ellwood, 1983.

- Which approaches were most successful in helping welfare recipients to find paid work and leave welfare within the two-year follow-up period, and to remain off welfare? Did any approach help individuals to get a "good" job, that is, a full-time job with health benefits?
- Which approaches were most successful in increasing welfare recipients' income and helping them move out of poverty?
- Did any approaches, as a result of the services provided to or the mandates imposed upon parents, positively or negatively affect the well-being of their children?
- Which approaches were most successful in achieving self-sufficiency for those who were at high risk for long stays on welfare?

The NEWWS Evaluation uses an unusually strong research design, a random assignment experiment, to estimate program effects. In each site individuals who were required to participate in the program were assigned, by chance, to either a program group, which had access to employment and training services and whose members were required to participate in the program or risk a reduction in their monthly AFDC grant, or a control group, which received no services through the program but could seek out such services from the community. This random assignment design assures that there are no systematic differences between the background characteristics of people in the program and control groups when they enter the study. Thus, any subsequent differences in outcomes between the groups can be attributed with confidence to the effects of the program. These differences, called impacts, are the primary focus of this report.

Although this design assures that the impact estimates of each program are extremely reliable, there are limitations to making cross-site comparisons of program effects. Local conditions, including labor markets, prevailing wages, welfare grant levels, political environments, program funding levels, and staff administration, can all have an effect on the magnitude of impact estimates. For this reason impact differences among the 11 employment- and education-focused programs in this report are suggestive of the relative effectiveness of either approach in the short term. More definitive judgments on the relative effectiveness of the two approaches will come from the results from the three sites in this evaluation that are testing versions of the two approaches side by side. Furthermore, two years is not enough time in which to fully assess the effectiveness of either approach. Theoretically, only the results in later years of the follow-up period are expected to show a "payback" in the labor market from investments that participants in education-focused programs made in education and training. Future NEWWS reports will document these programs' results in the longer term (for up to a five-year period).

The remainder of this chapter briefly describes the localities in which the programs operated and concludes with a description of the contents of the report.

III. Program Environments

When planning this evaluation, HHS and MDRC sought to include sites that would demonstrate operation in a diverse range of conditions, though they would not represent all welfare-to-work programs in the country. As shown in Table 1.2, sites varied along several dimensions, such as geographic location, labor market, and welfare grant level.[6]

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[6] For a description of the site selection process, see Hamilton and Brock, 1994, Appendix A.

National Evaluation of Welfare-to-Work Strategies

Table 1.2

Program Environments

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Population, 1990	648,779	500,631	1,170,413	961,437	2,111,687	832,624	895,441
Population growth, 1990-1995 (%)	8.0	4.9	17.9	5.2	-2.7	5.4	9.9
AFDC caseload[a]							
1991	18,507	7,660	23,325	23,192	87,992	12,305	11,234
1992	21,801	7,389	25,581	24,135	88,584	13,392	11,817
1993	23,113	7,508	27,775	24,739	89,083	14,259	11,961
1994	23,121	7,137	32,044	24,807	88,337	14,257	11,981
1995	22,043	7,052	24,650	23,240	88,614	13,959	11,231
1996	19,620	5,836	25,076	19,474	74,051	12,488	10,097
Welfare-to-work program caseload[b]							
1991	4,808	n/a	6,558	n/a	n/a	n/a	n/a
1992	3,500 (est.)	n/a	5,584	n/a	n/a	n/a	n/a
1993	3,919	n/a	5,194	2,079	n/a	n/a	2,868
1994	4,374	n/a	6,564	1,953	n/a	n/a	2,799
1995	5,996	n/a	9,449	1,642	n/a	n/a	3,025
1996	6,897	n/a	9,998	3,576	n/a	n/a	3,201
AFDC grant level for a family of 3, 1993 ($)	280	474	624	341	459	324	460
Food Stamp benefit level for a family of 3, 1993 ($)[c]	292	252	202	292	252	292	287
Unemployment rate (%)							
1991	5.3	7.8	9.8	3.8	10.5	6.0[d]	5.4[e]
1992	7.4	7.5	11.6	4.6	10.5	5.5[d]	7.3[e]
1993	6.4	5.3	11.9	4.5	8.3	5.5[d]	6.6[e]
1994	5.8	4.2	10.5	3.7	6.7	5.0[d]	4.9[e]
1995	5.4	3.8	9.6	2.9	6.0	4.0[d]	4.1[e]
1996	4.9	4.0	8.2	2.9	5.5	3.6[d]	5.2[e]
Employment growth, 1991-1996 (%)	14.8	15.9	11.9	7.7	5.4	9.1	15.1

(continued)

Table 1.2 (continued)

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Income disregard policies	Standard; fill-the-gap	Standard[f]	Extended; fill-the-gap	Standard	Standard[f]	Standard	Standard
Maximum that a family of 3 could earn and receive AFDC, January 1993 ($)							
In months 1-4 of employment	756	831	1,175	632	809	606	810
In months 5-12 of employment	544	594	823	461	579	444	580
After 12 months of employment	514	564	793	431	549	414	550

SOURCES: Hall and Gaquin, 1997; Hamilton and Brock, 1994; Hamilton et al., 1997; Scrivener et al., 1998; U.S. Department of Labor, Bureau of Labor Statistics; Center for Law and Social Policy, 1994; Center for Law and Social Policy, 1995; site contacts.

NOTES: Data are for counties: Atlanta (Fulton County), Georgia; Grand Rapids (Kent County), Michigan; Riverside (Riverside County), California; Columbus (Franklin County), Ohio; Detroit (Wayne County), Michigan; Oklahoma City (Oklahoma, Cleveland, and Pottowatomie counties), Oklahoma; Portland (Multnomah and Washington counties), Oregon.

N/a stands for not applicable.

[a] Annual average monthly caseloads, as reported by the state or county. In Atlanta averages are for calendar years; in all other sites averages are for state fiscal years.

[b] Annual unduplicated counts of all individuals enrolled in program activities. In Atlanta and Columbus 1996 counts are for calendar years; in all other sites counts are for state fiscal years.

[c] Assumes the receipt of the maximum AFDC payment.

[d] Data are for Oklahoma County. The unemployment rates for Cleveland County are: 1991, 4.4%; 1992, 3.5%; 1993, 3.5%; 1994, 3.5%; 1995, 2.9%; 1996, 2.6%. The unemployment rates for Pottowatomie County are: 1991, 7.6%; 1992, 5.9%; 1993, 5.8%; 1994, 5.7%; 1995, 4.5%; 1996, 4.8%.

[e] Data are for Multnomah County. The unemployment rates for Washington County are: 1991, 4.5%; 1992, 6.1%, 1993: 5.3%, 1994: 3.7%; 1995, 3.2%; 1996, 3.9%.

[f] Although Michigan implemented nonstandard earned income disregards during the evaluation period through To Strengthen Michigan Families, all sample members in the NEWWS Evaluation were excluded from them.

To be included in the National Evaluation of Welfare-to-Work Strategies, sites needed large enough welfare caseloads to meet the sample size requirements of the research design. Accordingly, all of the seven sites include urban areas. Detroit, with a population topping 2 million in 1990, is the largest urban area studied in the evaluation, and the only site to lose population (by 3 percent) between 1990 and 1995, roughly the time period covered in this report.[7] Riverside, with a population of over 1 million in 1990, experienced the most growth during this period, adding almost 18 percent to its population by 1995. Population growth in other sites ranged from 5 to 10 percent.[8]

As population grew, so did labor markets. In four sites employment expanded significantly between 1991 and 1996: the employed labor force in Grand Rapids grew by 16 percent, in Atlanta and Portland by 15 percent each, and in Riverside by 12 percent. The other three sites experienced 5 to 9 percent gains.

Rising employment, particularly in localities with rising population, does not necessarily indicate declining unemployment rates. Unemployment rates in all seven sites, however, decreased over this period. Following national trends, in general, unemployment rates peaked in 1992 and were lowest in 1996. At the end of the evaluation period unemployment rates in most sites were below the national average of 5.4 percent in 1996. Early in the evaluation period unemployment rates in Detroit and Riverside topped 10 percent. Although rates in both localities steadily declined, Riverside's remained at 8 percent in 1996, significantly higher than the national average. Throughout the evaluation period Columbus's labor market was robust; its unemployment rate never exceeded 5 percent, even during the high point of the national recession.

Because individuals in the program and control groups within each site were subject to the same labor market, the quality of the economy by itself should not affect impact estimates; program and control groups shared the same advantages of a tight labor market or disadvantages of a slack one. However, different economic environments can present new opportunities or challenges for welfare-to-work programs. For example, in a good labor market programs focused on job development will have an easier time locating and directing their clients to jobs to which control group members would not have access. In a slack labor market programs may choose to encourage recipients to invest in skills or education.

The size of AFDC caseloads varied with the size of sites' populations, ranging from about 7,500 in Grand Rapids to almost 90,000 in Detroit in 1991, the beginning of this evaluation. In general, sites' welfare and program caseloads grew in the early part of the evaluation period, peaked in 1993 or 1994, and declined to their 1991 levels or below by 1996. Although this information is not available in all sites, a small percentage of the entire caseload actually participated in the sites' welfare-to-work programs. The program caseloads presented in Table 1.2, which represent annual unduplicated counts of program participants, grew substantially over the evaluation period.

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[7] The time period covered by this report varies for each sample member; an inclusive calendar period is June 1991 through December 1996.

[8] Data presented in this chapter are for the entire county (or counties) from which each site draws its sample members.

There was considerable variation in welfare grant levels among the sites. In 1993 maximum cash payments for a family of three ranged from $280 in Atlanta to $624 in Riverside. Food Stamp payments, for which means standards are federally set, varied less, from $202 in Riverside to $292 in Atlanta, Columbus, and Oklahoma City.[9] To some extent, low welfare grants are offset by higher Food Stamp payments, but this does not change the overall rankings of sites on benefit levels.

All states were required to disregard some earned income when calculating a family's welfare grant. For the first four months of employment $120 and an additional one-third of the remainder were disregarded. This $120 disregard includes both a $30 flat disregard and a $90 disregard for work expenses. In months 5 through 12 of employment, the additional one-third disregard is eliminated, leaving the total disregard at $120. After the first year of employment only the $90 work expenses disregard was allowed. In addition, individuals were allowed to disregard child care expenses up to $175 per child aged 2 or over and $200 per child under age 2.[10]

Atlanta and Riverside applied nonstandard disregard rules that permitted employed recipients to keep more of their welfare check. Throughout the evaluation period Georgia employed "fill-the-gap" budgeting. Under fill-the-gap, working welfare recipients can earn up to the state-determined "standard of need" before losing all welfare benefits. For example, in 1993 Georgia's standard of need for a family of three was $424 (per month). A parent with three children could earn up to $756 in each of the first four months of employment and still remain on AFDC, $544 in months 5 through 12, and $514 per month thereafter.[11] In California the state received a waiver at the end of 1993 to eliminate the time limit on the standard earnings disregard applied to the calculation of welfare benefits and also instituted a version of fill-the-gap.

Disregards and fill-the-gap budgeting affect the likelihood that a sample member could work while remaining on welfare. Table 1.2 shows the different amounts that a family of three could earn from a job in all evaluation sites before losing all cash assistance. For example, though Atlanta has the lowest maximum cash grant amount for a family of three, its use of fill-the-gap budgeting put the amount that a family could earn before leaving welfare nearer to the median of the other sites' maximums. In Riverside use of fill-the-gap increases the difference between what its welfare recipients and other sites' recipients can earn before leaving welfare.[12]

Differences in welfare grants, earnings disregard standards, and the use of fill-the-gap budgeting may explain some variation in program impacts. Impacts on welfare payments in low-grant states are likely to be somewhat lower than those in high-grant states, all other things being equal, because there are fewer AFDC dollars to reduce. In addition, in low-grant states even low-paying jobs may be more attractive than welfare, providing a greater incentive to work. At the same time, in states that have higher grant levels, or generous earnings disregards, it may be easier for individuals to combine work and welfare in a way that will increase total household income and raise the family standard of living, particularly after factoring in the Earned Income Tax Credit (EITC).

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[9] These amounts assume the receipt of the maximum welfare payment.

[10] Greenberg, 1992.

[11] An example of the calculation for fill-the-gap and disregard rules applied to earnings in the first four months of employment is the following: standard of need = earnings – (work expenses disregard + standard disregard) – 1/3 (earnings – both disregards): $756 – $90 – $30 – 1/3($756 – $120) = standard of need: $424. These calculations do not take into account child care payment disregards allowable under AFDC, if taken.

[12] In January 1993 Riverside's payment maximum was $624 and its need standard was $703. Applying standard earnings disregards without fill-the-gap, Riverside residents could earn up to $1,056 in their first four months of employment. Applying fill-the-gap in conjunction with the earnings disregards, Riverside residents could earn $1,175.

IV. Contents of the Report

The next two chapters, Chapters 2 and 3, lay out important background information about the NEWWS Evaluation, its participants, and the programs studied. Chapter 2 describes the random assignment research design used to test the effectiveness of the programs, the characteristics of the samples included in this report, and the types and sources of data used. Chapter 3 describes some key implementation features of the 11 programs that can provide an important context for interpreting the impacts presented in the later chapters.

Chapter 4 describes the effects of the programs on increasing participation in work-related activities. The chapter also documents whether programs increased the percentage of recipients who earned GEDs or other education credentials after random assignment; notes the frequency with which program group members incurred a sanction, or welfare grant reduction, for noncompliance with the program participation mandate; and explores whether programs changed individuals' attitudes toward work and welfare.

Chapter 5 discusses the impacts of the programs on sample members' employment, earnings, job stability, and job quality. The chapter investigates whether employment- or education-focused programs fared better in the short term and what caused increases in average earnings: putting welfare recipients to work who would not have found jobs on their own or improving job quality for those who would have been employed anyway, or both.

Chapter 6 presents impacts on AFDC and Food Stamp receipt and payments, determining whether the programs achieved welfare savings and whether they did so by increasing the speed or frequency of welfare exits or by decreasing average grants for those on public assistance.

Chapter 7 looks at earnings gains and welfare reductions from the perspective of sample members and presents impacts on individuals' combined income from earnings and benefits, level of self-sufficiency, and prospects for longer-term economic security.

Chapter 8 examines the ways that programs affect individuals' use of noncash benefits or supports for work, including health care coverage, school food programs, and housing and energy assistance.

Chapters 9 and 10 look at the effects of welfare-to-work programs on children, examining effects on enrollees' work-related child care arrangements and on the health status, school progress, and emotional adjustment of welfare recipients' children. In addition, these chapters explore whether programs were as effective for women with young children as for those with older children.

Chapter 11 determines the effects of alternative program strategies for different subgroups of welfare recipients. It explores the degree to which programs helped groups of the welfare population likely to have different capacities to find work on their own: those who had limited education credentials, those who were more disadvantaged (without recent work experience and who had been on welfare for two or more years), and those who were less disadvantaged.

Chapter 2

Research Design, Sample Characteristics, Data Sources, and Analysis Issues

The primary aim of the National Evaluation of Welfare-to-Work Strategies is to test the effectiveness of a variety of welfare employment program approaches in different locales. This chapter describes the research designs employed, the characteristics of the individuals studied, and the types of data used in the report. The chapter concludes with some important reminders for interpreting the results presented in the following chapters.

I. Research Design

To test the effectiveness of welfare-to-work program strategies, this evaluation uses an unusually strong research design: a random assignment experiment. In each evaluation site, individuals who were required to participate in the program were assigned, by chance, to either a program group, which had access to employment and training services and whose members were required to participate in the program or risk a reduction in their monthly AFDC grant, or a control group, which received no services through the program but whose members could seek out such services on their own from the community. This random assignment design assures that there are no systematic differences between the background characteristics of program and control group members when they enter the study. Thus, any subsequent differences in outcomes between the groups (called impacts) can be attributed with confidence to the effects of the program.

Four sites implemented a three-way random assignment research design in order to test the relative effectiveness of two different program approaches. In the three-way design, an individual is assigned, by chance, to either one of two program groups or a control group. Members of the two program groups and the control group are subject to the same labor market conditions and other environmental factors, assuring that any differences in outcomes between the two program groups, or between either program group and the control group, were caused by the programs' design and implementation.

Three of these four sites (Atlanta, Grand Rapids, and Riverside) ran two programs that magnified the differences between employment-focused and education-focused approaches, as described in the previous chapter: a Labor Force Attachment (LFA) approach, which emphasizes that the workplace is where welfare recipients can best learn work habits and skills and thus tries to place people in jobs quickly, even at low wages; and a Human Capital Development (HCD) approach, which emphasizes education and training as a precursor to employment and invests in the "human capital" of welfare recipients to enable them to retain jobs and have a better chance of advancement.

In Riverside existing statewide rules mandated that only individuals who were "in need of basic education" — defined as not having a high school diploma or GED, having low scores on a welfare department math or reading literacy test, or requiring English-as-a-Second-Language instruction — could be assigned to the HCD group. The LFA group in that site, however, includes both those who were determined to be "in need" and those "not in need." For the measures included in this report, results for the segment of the LFA group in Riverside who were determined to be in need of basic education are included so that direct comparisons between the LFA and HCD groups in that site can be made.[1] Further, direct comparisons between results of the Riverside HCD program and those of other programs in this evaluation can be made only with those who lacked a high school diploma or GED in the other programs.[2]

Columbus used a three-way random assignment design to test the relative effectiveness of two different case management models. In the Traditional model the welfare department's employment and training and income maintenance functions are handled by two different workers, both of whom maintain relatively large caseloads; in the Integrated model one worker handles both the employment and income maintenance functions. The integrated worker maintains a smaller caseload than either of the traditional workers and is expected to provide more intensive services.

The remaining three sites in the evaluation (Oklahoma City, Detroit, and Portland) used random assignment to test the effectiveness of established programs. Instead of implementing a program designed to meet research protocols, as in the three-way sites, program administrators determined their welfare-to-work program goals and practices and randomly assigned individuals to either a group that entered the program or a non-program control group.[3] A summary of these designs is presented in Table 2.1.

Individuals were randomly assigned to programs over approximately a two-year period in each site. Random assignment for the evaluation began in June 1991 in Riverside, California, and ended in December 1994 in Portland, Oregon (see Table 2.2). Thus, the results presented in this report cover the calendar period from June 1991 (the first month of the first sample member's

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[1] The Riverside design has implications for calculating LFA impacts. The outcomes and impacts for sample members in the other six sites are unweighted. In Riverside, however, outcomes are weighted averages of the outcomes for both LFAs found to be in need and those found not to be in need of basic education at baseline. This weighting scheme compensates for the overrepresentation of those determined not to need basic education among the LFA and LFA-control groups.

Under the Riverside program design, impacts cannot be correctly calculated in an unweighted regression model (that is, one that includes LFAs, HCDs, and controls and counts all observations with equal weight). Instead, the full sample LFA impact is calculated as $(W_{need} * B_{LFAneed}) + (W_{not} * B_{LFAnot})$. In this equation, $B_{LFAneed}$ represents the impact for the "in need" LFAs and B_{LFAnot} the impact for the "not in need" LFAs. W_{need}, the weight for the "in need" sample, equals the fraction of LFAs, HCDs, and controls who were classified by program staff as in need of basic education at baseline, and W_{not}, the weight for the "not in need" sample, equals $1 - W_{need}$.

The Riverside LFA full sample impacts are generated in a regression that includes all Riverside sample members, whereas the HCD full sample impacts are estimated in a regression that includes only sample members determined to need basic education.

Because the Riverside HCD control group includes only those in need of basic education, the control group level is excluded from the ranges that are presented in the following chapters. They are included, however, in the discussion of those without a high school diploma or GED at random assignment in the subgroup chapter (see Chapter 11).

[2] Some of those in Riverside's "in need" subgroup, which appears with the other sites' "no high school diploma" subgroup, actually did have a high school diploma or GED. Specifically, 23 percent of the "no high school diploma/GED" HCDs in Riverside did have such a credential but scored low on either the math or reading portion of the appraisal test or required English remediation. See also Hamilton et al., 1997.

[3] See Hamilton and Brock, 1994, for a more detailed description of the research designs in the seven sites.

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Table 2.1
Research Designs for the Seven Evaluation Sites

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Type of random assignment	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Three-way (2 program groups, 1 control group)	Two-way (1 program group, 1 control group)	Two-way (1 program group, 1 control group)	Two-way (1 program group, 1 control group)
Type of study	Differential impacts of HCD and LFA approaches	Differential impacts of HCD and LFA approaches	Differential impacts of HCD and LFA approaches	Differential impacts of integrated and traditional case management strategies	Net impacts of established program	Net impacts of established program	Net impacts of established program
Sample composition	AFDC applicants and recipients	AFDC applicants and recipients; teen parents (ages 18 and 19)	AFDC applicants and recipients	AFDC applicants and recipients	AFDC applicants and recipients; teen parents (ages 18 and 19)	AFDC applicants; teen parents (ages 16 to 19)	AFDC applicants and recipients
Age of youngest child	3	1	3	3	1	1	1
Point of random assignment	Program orientation	Program orientation	Program orientation	Income maintenance office: application only	Program orientation	Income maintenance office: application or redetermination	Program orientation

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Table 2.2

Overview of Sample Sizes, by Site and Research Group

Site and Program	Impact Sample	Client Survey Sample
Atlanta		
Random assignment period	01/07/92 - 01/27/94	03/12/92 - 01/27/94
Labor Force Attachment	1887	804
Human Capital Development	1935	1113
Control	1946	1086
Full sample	5768	3003
Grand Rapids		
Random assignment period	09/25/91 - 01/31/94	03/25/92 - 01/31/94
Labor Force Attachment	1557	574
Human Capital Development	1542	574
Control	1455	584
Full sample	4554	1732
Riverside		
Random assignment period	06/18/91 - 06/30/93	09/03/91 - 05/27/93
Labor Force Attachment	3384	564
Human Capital Development	1596	621
Control	3342	1114
Full sample	8322	2299
Columbus		
Random assignment period	09/21/92 - 07/29/94	01/04/93 - 12/29/93
Integrated	2513	371
Traditional	2570	366
Control	2159	357
Full sample	7242	1094
Detroit		
Random assignment period	05/12/92 - 06/30/94	01/24/93 - 12/20/93
Program	2226	210
Control	2233	216
Full sample	4459	426
Oklahoma City		
Random assignment period	09/09/91 - 05/28/93	06/01/92 - 05/24/93
Program	4309	259
Control	4368	252
Full sample	8677	511
Portland		
Random assignment period	02/16/93 - 12/31/94	03/03/93 - 02/28/94
Program	3529	297
Control	2018	313
Full sample	5547	610
Full sample size	**44,569**	**9,675**

SOURCE: MDRC-created database.

entry in the program) to December 1996 (the last month of a two-year follow-up for the last sample member randomly assigned in Portland).

The differences in procedures used to randomly assign clients in this evaluation affected the sample composition and, thus, comparability of the sites and programs.[4] In five of the seven sites AFDC applicants and recipients who met the demographic criteria to be mandated to participate were randomly assigned while attending a program orientation at the employment and training office. In Columbus and Oklahoma City individuals were randomly assigned at the income maintenance office, before they were assigned to an orientation.

Not all individuals assigned to participate in welfare-to-work programs actually attend an orientation; some individuals who do not attend may leave the AFDC rolls shortly after being referred to the program, may have had their applications denied, or may not have a good reason for not attending.[5] For example, long waiting lists for orientation "slots" can create a situation in which the more employable individuals on the caseload can find jobs on their own and exit AFDC before being randomly assigned, leaving more "disadvantaged" individuals to enroll in the program. In three programs for which these data are available (Riverside, Grand Rapids, and the Columbus Traditional program) about two-thirds of those required to attend an orientation actually did so. The Columbus Integrated program, however, compelled about five-sixths of sample members to attend an orientation.[6] Because outcomes in this report are reported as averages for all sample members in a group, the different capacities of the Integrated and Traditional groups to enroll individuals are reflected in their participation and subsequent employment, earnings, and welfare outcomes.

Because Oklahoma City, unlike all other sites, randomly assigned only applicants, including those whose application for assistance was not yet approved,[7] two points need to be considered. First, the impact estimates include a larger proportion of people who never received an AFDC payment after being randomly assigned for reasons unconnected to the welfare-to-work program's effects. About 30 percent of the sample in Oklahoma City were denied cash assistance shortly after being randomly assigned. Second, past research has shown that welfare-to-work programs work differently for recent applicants, who tend to be less disadvantaged, than for individuals who were already receiving AFDC.[8]

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[4] For a discussion of the sites' enrollment practices, see Chapter 3.

[5] See Hamilton and Brock, 1994, for a discussion of the implications of orientation attendance. Riverside, Grand Rapids, and Portland also randomly assigned individuals before program orientation — when individuals were determined to be mandatory for program enrollment by income maintenance workers — for a separate investigation of the deterrence effects of a participation mandate and of reasons for nonattendance. The research groups analyzed in this report from the three sites are "nested" within one of the research groups prepared for this deterrence analysis. In the sites only those who were randomly assigned to a program or control group at a program orientation are included in the this report's analysis. Future documents from the National Evaluation of Welfare-to-Work Strategies will explore the impact of assignment to a mandatory welfare-to-work program.

[6] Brock and Harknett, 1998; MDRC calculations.

[7] Oklahoma City did include nonapplicants in its mandate to participate. MDRC did not include ongoing recipients because doing so would have required significant alterations to existing welfare department procedures.

[8] Friedlander, 1988.

II. Sample Sizes and Characteristics

Table 2.2 shows the dates of random assignment and sample sizes by data source, site, and research group. Throughout this report outcomes and impacts from two primary data sources will be presented: administrative records and a client survey (see the following section on data sources). The administrative records sample, composed of 44,569 individuals, is considered to be this report's full "impact sample."[9] The impact sample spans the full random assignment period for each site and is larger than the client survey sample, which includes 9,675 individuals selected from the full impact sample and spans a shorter period of random assignment.

Ethnicity. The ethnic makeup of the samples in different sites varies, reflecting general differences in the overall ethnic composition of the counties from which the samples were drawn. In Atlanta and Detroit almost all sample members are African-American. About half of the sample members in Grand Rapids, Riverside, Columbus, and Oklahoma City and two-thirds of those in Portland are white. Only Riverside has a substantial portion (one-third) of Hispanic sample members (see Table 2.3).

Family structure. The "average" welfare-to-work program enrollee in this evaluation is a single-parent 30-year-old female with two children. More likely than not, she has a preschool-age child and chances are relatively high that she had her first child as a teenager.

This portrait, however, brushes over the diversity of the families who were included in the program mandate. Grand Rapids, Detroit, Oklahoma City, and Portland chose to include in their program mandate parents with children as young as age 1. In these four sites just under half entered the program when their youngest child was under age 3. The remainder of the sample in the four sites and the full samples in the other three sites were divided between parents with a youngest child aged 3 to 5 and one aged 6 or over. In Grand Rapids, Detroit, and Oklahoma City teen parents are included in the report's sample (see Table 2.1).

Educational attainment. Between 55 and 66 percent of enrollees had a high school diploma or GED when they entered the program, and in all sites at least some enrollees had some college or post-secondary schooling. On average, however, sample members had completed just 11 years of school before enrolling.[10]

Employment history. None of the welfare-to-work programs served a population with an extensive work history, though the degree of labor market experience held by sample members varied by site. Fewer than half the individuals in all sites but Oklahoma City had worked at some point during the year before they enrolled (from 21 percent in Detroit to 46 percent in Grand Rapids). Oklahoma City's all-applicant sample, not surprisingly, was far more likely to have worked in the year before entering the program; 69 percent had done so.

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[9] In addition to these sample members, MDRC randomly assigned approximately 15,000 additional individuals, who will be evaluated in future documents. Groups excluded from this report's analysis are individuals randomly assigned before they attended a program orientation as part of the deterrence study, two-parent (AFDC-UP) families, and teen parents in Riverside, who faced different program requirements than older sample members in this site.

[10] As mentioned, Riverside's HCD program includes only those who were in need of basic education, defined as either not having a high school diploma or GED or having low scores on a welfare department math or reading literacy test.

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Table 2.3

Selected Characteristics of Sample Members

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Demographic characteristics							
Gender (%)							
Male	3.6	4.2	10.6	6.5	3.3	6.9	6.8
Female	96.4	95.8	89.4	93.5	96.7	93.1	93.2
Age (%)							
Under 19	0.0	5.4	0.9	0.2	2.9	9.8	0.0
19-24	10.2	34.2	15.5	12.9	26.2	27.0	22.7
25-34	54.2	40.6	49.7	55.7	43.3	42.9	52.1
35-44	29.8	16.5	27.8	26.8	22.7	17.3	21.6
45 or over	5.9	3.3	6.1	4.4	5.0	2.9	3.5
Average age (years)	32.7	28.2	32.0	31.8	30.0	28.1	30.3
Ethnicity (%)							
White	3.7	50.1	49.0	46.5	11.0	59.4	69.6
Hispanic	0.8	8.0	30.2	0.4	0.8	4.3	3.9
Black	94.9	39.3	16.7	52.0	87.3	28.9	20.2
Black Hispanic	0.1	0.3	0.0	0.0	0.0	0.3	0.3
Native American/Alaskan Native	0.1	1.5	1.4	0.1	0.2	6.4	2.9
Asian/Pacific Islander	0.2	0.4	2.7	0.8	0.2	0.6	2.1
Other	0.2	0.5	0.0	0.3	0.6	0.1	1.2
Family status							
Marital status (%)							
Never married	59.7	57.9	32.5	50.2	68.0	34.3	47.9
Married, living with spouse	1.4	3.3	8.1	8.2	2.7	3.8	1.6
Separated	20.8	18.4	31.4	22.3	15.8	35.7	21.2
Divorced	16.7	19.3	26.5	18.6	12.3	25.2	28.6
Widowed	1.5	1.0	1.5	0.8	1.2	1.0	0.7

(continued)

Table 2.3 (continued)

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Number of children (%)							
1	37.4	46.9	38.6	40.0	43.7	50.6	39.9
2	33.0	35.3	32.0	33.4	29.6	30.5	33.5
3 or more	29.6	17.9	29.4	26.6	26.7	18.9	26.6
Average number of children	2.1	1.8	2.0	2.0	2.0	1.7	2.0
Age of children (%)							
Any child age 0-5	42.5	67.9	56.0	46.9	64.3	65.1	68.2
Any child age 6-11	62.2	38.3	56.2	57.3	44.3	40.5	47.7
Any child age 12-18	45.2	26.2	37.0	39.4	34.0	23.9	25.5
Age of youngest child (%)							
2 or under	0.3	46.3	6.2	1.8	39.3	41.4	40.5
3 to 5	42.2	21.6	49.8	45.1	25.0	23.8	27.7
6 or over	57.5	32.1	44.0	53.1	35.7	34.9	31.8
Had a child as a teenager (%)	41.4	48.4	32.8	37.5	44.2	47.1	32.4
Labor force status							
Worked full time for 6 months or more for one employer (%)	72.6	63.8	71.0	42.5	48.1	68.8	77.0
Any earnings in past 12 months (%)	28.2	46.0	40.7	28.2	21.1	69.0	39.0
Currently employed (%)	7.5	11.4	11.2	4.0	6.8	8.6	9.4
Education status							
Received high school diploma or GED (%)	60.9	59.0	56.2	57.4	56.5	55.1	65.9
Highest degree/diploma earned (%)							
GED[a]	5.5	8.2	9.2	7.0	10.7	11.3	21.6
High school diploma	47.2	45.9	41.8	44.6	37.0	38.2	33.7
Technical/AA/2-year college	6.8	4.1	4.3	4.6	8.0	4.3	9.3
4-year (or more) college	1.8	0.9	0.9	1.6	1.1	1.6	1.7
None of the above	38.7	40.9	43.8	42.3	43.2	44.6	33.7
Highest grade completed in school (average)	11.3	11.4	11.0	11.2	11.2	11.1	11.2

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Table 2.3 (continued)

Characteristic	Atlanta	Grand Rapids	Riverside	Columbus	Detroit	Oklahoma City	Portland
Enrolled in education or training in past 12 months (%)	13.3	39.2	19.6	9.5	20.0	23.7	20.7
Currently enrolled in education or training (%)	8.5	34.8	14.1	7.8	28.2	12.9	13.1
Public assistance status							
Total prior AFDC receipt (%)[b]							
None	0.3	0.1	1.0	10.0	2.8	44.4	1.2
Less than 1 year	24.0	22.1	33.8	8.3	13.7	18.8	20.2
1 year or more but less than 2 years	9.7	18.6	11.3	9.0	9.1	12.5	16.3
2 years or more but less than 5 years	23.7	30.0	26.4	27.9	24.0	15.3	32.7
5 years or more but less than 10 years	20.9	16.4	15.6	22.7	22.5	6.5	21.2
10 years or more	21.4	12.8	11.8	22.1	27.9	2.5	8.5
Raised as a child in a household receiving AFDC (%)	26.1	32.8	19.5	27.0	40.1	21.7	25.0
First spell of AFDC receipt (%)[c]	8.7	27.9	23.5	9.6	4.1	42.0	7.2
Housing status							
Current housing status (%)							
Public housing	32.8	2.6	2.5	15.2	5.5	5.3	7.5
Subsidized housing	23.1	13.0	7.0	24.7	1.1	6.7	19.1
Emergency or temporary housing	1.4	2.4	1.4	1.4	0.8	14.4	3.4
None of the above	42.7	82.1	89.1	58.7	92.6	73.7	70.1
Sample size	5,768	4,554	8,322	7,242	4,459	8,677	5,547

SOURCE: MDRC calculations from information routinely collected by welfare staff.

NOTES: Distributions may not add to 100 percent because of rounding.

[a] The GED credential is given to those who pass the GED test and is intended to signify knowledge of high school subjects.

[b] This refers to the total number of months accumulated from at least one spell on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

[c] This does not mean that such individuals are new to the AFDC rolls, only that this is their first spell on AFDC. This spell, however, may have lasted several years.

In addition to having limited recent work experience, fewer than half of the sample members in Columbus and Detroit had worked full time for six months or more for one employer at some point prior to entering the program; two-thirds to three-quarters in other sites had done so.

Past AFDC receipt. The majority of sample members in all sites but Oklahoma City had already received AFDC for at least two years cumulatively before entering the welfare-to-work program. Just 24 percent of those in Oklahoma City, compared with 54 to 74 percent in the other sites, had received cash assistance for two years or more. Excluding Oklahoma, between 28 and 50 percent had received welfare cumulatively for five years or more.

"Most disadvantaged" status. Sample members who lacked a high school diploma or GED (or were in need of basic education in Riverside), lacked any work history in the year prior to enrolling in the welfare-to-work program, *and* already had received welfare for two years or more cumulatively before entering the program are considered "most disadvantaged"; the proportion of sample members in all sites so defined ranges from 5 percent in Oklahoma City to 25 percent in Riverside and Detroit.

Housing status. The proportion of program enrollees living in public housing developments or receiving housing assistance through such programs as the Section 8 rental assistance program is highest in Atlanta (56 percent) and lowest in Detroit (7 percent). Federal housing policies have been cited as a possible disincentive for employment; earnings increases mean rent increases for public or subsidized housing residents, who pay rent on a sliding scale. In addition, gross income limits for housing assistance eligibility could force a newly employed individual to lose her subsidy.

Compared with the other sites, a fairly large proportion (14 percent) of individuals in Oklahoma City lived in emergency or temporary housing, which is defined as living in a shelter or being homeless, when they applied for AFDC. Less than 3 percent of the enrollees in other sites were experiencing this type of hardship when they entered the program.

III. Data Sources

Enrollees' characteristics at random assignment. Standard client characteristics data, such as educational background and AFDC history, were collected by welfare staff during routine interviews with individuals at the welfare-to-work program orientation and are available for all 44,569 heads of single-parent AFDC cases included in this report sample.

Field research. MDRC staff observed the welfare-to-work programs and interviewed enrollees, case managers, service providers, and program administrators in each site. Information was collected about a range of issues, such as management philosophies and structure, the degree to which a participation mandate was enforced, the nature of interactions between caseworkers and program participants, the extent to which the program was able to work with all of those mandated to participate in it, the availability of services, and the relationships that welfare-to-work program staff had established with outside service providers and the sites' income maintenance (IM) staff. Materials gathered at these visits are used primarily in Chapter 3.

JOBS, income maintenance, and integrated staff surveys. Welfare-to-work program case managers, IM workers, and their supervisors were surveyed about their welfare-to-work program, experiences administering the program, and attitudes toward clients.[11] Results from these surveys are used primarily in Chapter 3.

Unemployment insurance, AFDC, and Food Stamp administrative records data. Most employment, earnings, and public assistance impacts were computed using automated county and state unemployment insurance (UI), AFDC, and Food Stamp administrative records data. Two years of follow-up data are available for all 44,569 sample members.

UI earnings are recorded statewide and can provide reasonably accurate and unbiased measures of employment, including earnings that sample members obtained both within and outside each site's immediate area. These data, however, are not available for out-of-state earnings or for jobs that are not usually covered by the UI system, such as self-employment, domestic service, or informal child care, work that may have been "off the books," or for employers who do not report earnings. Some earnings missed by the UI system may be captured by self-reported earnings and employment recorded on the Two-Year Client Survey.

In all sites but Riverside AFDC and Food Stamp payments are also recorded statewide, and payments are captured for sample members who moved within the state. In California, however, AFDC payments are recorded within each county. Zero AFDC dollars records are included in the analysis for sample members who received AFDC outside Riverside County. Riverside's county system should not bias impact estimates because there is no reason to expect differences between program and control group moving patterns.

UI earnings data are collected by calendar quarter: January through March, April through June, and so forth. For the research these data have been reorganized so that the quarter during which a sample member is randomly assigned is always designated quarter 1, with quarter 2 following, and so forth. These quarters are then grouped into "years." In forming years quarter 1 is not included because it contains some preprogram earnings, especially for sample members randomly assigned near the end of a calendar quarter. Thus, the first year of follow-up covers quarters 2 through 5, the second year covers quarters 6 through 9, and so forth. AFDC payments were recorded monthly, but were grouped into quarters and years covering the same periods as earnings quarters and years.

Two-Year Client Survey. This report examines the results of a survey administered to 9,675 individuals, a subsample of the program and control group members in all sites, about two years after they were randomly assigned.[12] Survey respondents were asked about their participation in training and education activities; if and when they received a high school diploma or GED; their opinions of work and welfare; and information about their employment history, income, receipt of noncash benefits such as health coverage, child care use, living situations, and children's school progress, health, and behavioral and emotional well-being.

The survey sample was randomly selected from the full impact sample, described above, and was drawn from a shorter period of random assignment months (see Table 2.2). In Atlanta, Grand Rapids and Riverside certain subgroups were intentionally oversampled to produce large enough samples for special analyses that will appear in later reports. Results from all programs in this report have been weighted to reflect the overall demographic characteristics of the larger sample.

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[11] Response rates varied from 87 to 100 percent, averaging 95 percent. Surveys were administered between August and December 1993. For sample sizes and responses to specific scales or items from the surveys in all sites, see Scrivener et al., 1998.

[12] Response rates ranged from 70 to 93 percent and did not vary widely across research groups (see Appendix Table E.1).

For several reasons, there may be some differences in results measured by the administrative records and the survey data. Because not all individuals in the full "impact sample" were included in the "client survey sample" and the client survey sample was drawn from a shorter period of random assignment months, the impact and client survey samples may be different in ways that are unmeasurable. In addition, the client survey depends on individuals' ability to recall information about events or jobs that they may have held up to two years prior to being interviewed, which can cause discrepancies in dates of employment or amounts of income. Finally, the client survey was designed to capture information not found in administrative records, such as off-the-books or short-term employment. Appendix F compares UI-recorded employment with self-reported employment and indicates the extent to which UI records did not capture client-reported earnings and, conversely, the extent to which survey reports did not capture UI-listed earnings.

IV. Analysis Issues

The bulk of this report presents impacts for each of the 11 programs studied as part of the National Evaluation of Welfare-to-Work Strategies. These programs, as will be demonstrated in the next chapter, employed a variety of strategies and practices aimed at increasing enrollees' employment and earnings and decreasing their reliance on welfare. Throughout this report outcomes are compared for a program group, whose members were enrolled in a welfare-to-work program and were eligible for its services, and a control group, whose members were not required to participate in the program and were not eligible for program services.

Past studies have shown that a portion of those targeted by welfare-to-work programs can be expected to leave welfare and find employment on their own, in the absence of a program intervention. The control groups in this evaluation represent expected outcomes in the absence of a special welfare-to-work program. Thus, program-control group differences are the effect, or impact, of each program. Outcomes for each of the groups are regression-adjusted using ordinary least squares, controlling for small pre-random assignment differences in the characteristics of the sample members. Differences between the two groups are considered statistically significant if there is less than a 10 percent probability that the differences could have occurred by chance. The random assignment experiment implemented in each site allows any statistically significant differences in outcomes between the program and control groups to be attributed with confidence to the effect of the program. These differences, that is, program impacts, are generally noted in the report only if they are statistically significant.

To capture programs' effects, impact estimates are based on the entire research sample of participants and nonparticipants. Including all sample members means that impacts must be interpreted as the result of the welfare-to-work programs as a whole, and not just as a result of participation in specific services. In addition, earnings and AFDC payment averages include individuals who were not employed or did not receive AFDC. These individuals were assigned zero dollar values. To the extent that the program converts nonearners into earners or encourages AFDC recipients to leave AFDC, exclusion of these zero values from both the program and control group estimates would lead to seriously biased underestimates of program impacts.

Some analyses in this report examine subsets of the entire sample that was randomly assigned. One set of these analyses, found primarily in Chapter 11, separates individuals in the program and control groups based on characteristics that they had at the time of random assignment. Comparisons of these subgroups of individuals are experimental, because they are based on characteristics collected before individuals entered the program. The random assignment process ensures that the only difference, within a subgroup, between the program and control groups is exposure to the program. Hence, any differences in outcomes between the program and control group members of a subgroup is a result of the program.

Other analyses in this report compare subsets of program and control group members who differ according to characteristics acquired after random assignment. Comparisons of program and control group members with these acquired characteristics are not complete measures of the effects of the program because the individuals may differ on other personal, pre-random assignment characteristics; differences in outcomes may be the result of these characteristics and not of the program treatment. These nonexperimental measures are included in the analysis in order to explore the underlying trends in the experimental impact estimates. Nonexperimental comparisons should be interpreted with caution.

Chapter 3

Client-Experienced Program Features

This chapter describes the two implementation dimensions used to categorize the 11 NEWWS programs — the self-sufficiency approach used and the level of participation mandate enforcement — from the perspective of program enrollees. In addition, the chapter explores other implementation features that provide an important context for interpreting the impact results in later chapters.

These two particular dimensions are discussed at length in this chapter because they clearly demonstrate the division between the programs and provide a general framework for thinking about program results. It should be kept in mind, however, that these dimensions are only two of the features that distinguish the 11 NEWWS programs from one another. The challenge of the NEWWS Evaluation, to be fully met in future documents, is to determine the combination of features associated with successful outcomes and those connected to specific impacts.

I. Self-Sufficiency Approaches

As discussed earlier, welfare-to-work program strategies usually emphasize either quick employment or skill-building and skill-remediation, particularly in the education area. The 11 programs in the NEWWS Evaluation blend elements of both strategies to varying degrees.

The kinds of messages that case managers send about education and work, the emphasis that they place on different program activities, and the activities in which program enrollees actually participate help to determine whether a client is more likely to get a job shortly after she enters the program or after she has tried to build her skills. The following program descriptions incorporate both the directions that case managers gave and the activities in which enrollees were most likely to participate.[1] The accompanying box gives a brief description of the services offered by the programs in this evaluation; the next chapter discusses participation rates in program activities or services in more depth.

Four of the programs are categorized as employment-focused and seven as education-focused. In the descriptions below programs within each of the two categories are listed in rough rank order, from those that are most purely education- or employment-focused to those that tend to blend the two approaches. Table 3.1 shows the approach used by each program, and Table 3.2 summarizes, for all programs, all of the implementation features discussed in this chapter.

A. Education-Focused Programs

The Oklahoma City program encouraged long-term education and training activities instead of active job search almost universally. Case managers communicated to clients the importance of education, even in job clubs, as a way to increase skills for later entry into the labor market.

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[1] Also see Hamilton et al., 1997; Scrivener et al., 1998; and forthcoming Columbus, Detroit, and Oklahoma City reports from the NEWWS Evaluation.

Structure and Content of Program Services[2]

In general, the welfare-to-work programs studied in this evaluation made available to their participants the following services and classes:

- **Job club:** Programs ran assisted job search activities, including classroom instruction on techniques for résumé preparation, job search, and interviewing, as well as a supervised "phone room" where participants could call prospective employers and search for job leads. Some sites employed job developers on staff, who searched for job leads from the community.
- **Basic education:** This activity encompassed three different types of classes: Adult Basic Education (ABE) "brush-up" courses for individuals whose reading or math achievement levels were lower than those required for high school completion or General Educational Development (GED) classes; GED preparation and high school completion courses for individuals who did not have a high school diploma but wanted to earn one or its equivalent; and English as a Second Language (ESL) classes, which provided non-English speakers with instruction in spoken and written English.
- **Vocational training:** Provided primarily thorough public schools, community colleges, and Job Training Partnership Act (JTPA) agencies, these classes included occupational training in fields such as automotive maintenance and repair, nursing, clerical work, computer programming, and cosmetology.
- **College:** Although not used widely in the programs, some individuals could attend college to fulfill their participation requirements.
- **Work experience:** Participants could be assigned to three types of positions: unpaid work in the public or private sector (in exchange for their welfare grant), on-the-job training in the private sector, and paid work, usually in the form of college work study positions.
- **Child care and support services:** All program participants, and control group members who enrolled in activities on their own, could be reimbursed for child care costs incurred as a result of participation. Also, if eligible, sample members could be reimbursed for child care expenses incurred while employed and no longer receiving cash assistance through the federal transitional child care (TCC) program. Programs also made funds available for work-related expenses, such as uniforms or books, and for transportation costs, such as public transportation passes or per-mile automobile reimbursement.

The **Atlanta HCD, Grand Rapids HCD, and Columbus Integrated and Traditional programs** emphasized increasing skills through formal education and training before entry into the labor market. Because of the generally low educational attainment of participants in these programs, basic education was a common first activity, though Grand Rapids also encouraged participation in vocational training programs. Clients in these programs were given considerable latitude in choosing what kind of education activity they wanted to pursue.

The **Detroit program** underwent a substantial shift in focus over the study period. Initially, the program emphasized long-term education and training assignments before clients engaged in work search. About midway through the study period clients were referred to a program that required job search first.

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[2] For a more detailed description of service components in the 11 programs, see Hamilton et al., 1997; Scrivener et al., 1998; and forthcoming NEWWS reports on Columbus, Detroit, and Oklahoma City.

The **Riverside HCD program**, which enrolled only individuals without a high school diploma or GED, generally assigned clients to basic education as a first activity. Short stays in these classes, and active job search once a literacy benchmark was reached, were stressed by case managers throughout clients' participation. Job developers assisted HCD clients in job club.

National Evaluation of Welfare-to-Work Strategies

Table 3.1

Self-Sufficiency Approaches, by First Activity

Employment-Focused		**Education-Focused**
Job search first	Varied first activity	Education or training first
Atlanta LFA Grand Rapids LFA Riverside LFA	Portland	Atlanta HCD Grand Rapids HCD Riverside HCD Columbus Integrated Columbus Traditional Detroit Oklahoma City

B. Employment-Focused Programs

Case managers and program staff in the **Riverside, Grand Rapids, and Atlanta LFA programs** emphasized that employment was the goal of program participation and that job search should be the first activity for participants. Clients were given very little choice in their first program assignment. In Riverside participants were encouraged to take even part-time and low-paying jobs as a first step up a self-sufficiency ladder and were assisted by full-time job developers who searched for job leads and followed up on job placements. While Grand Rapids staff stressed to clients the importance of finding work, they believed that it might be justifiable for clients to turn down temporary or part-time jobs. Those who wished to enroll in education programs were encouraged to do so — in addition to, not instead of, working. Atlanta case managers indicated the availability of education and training services as a second step after initial job search. Many Atlanta enrollees did, in fact, participate in education or training if they completed job search without finding a job.

While **Portland** staff emphasized that employment was the goal of program participation, not all enrollees were assigned to job search first. For individuals who first enrolled in education or training activities, usually those who were determined by case managers to be the more disadvantaged members of the caseload, program staff communicated that improving employability was the goal of their assignment. Portland also employed full-time job developers to work with participants once they began actively looking for a job, though, unlike other work-focused programs in this evaluation, developers encouraged participants to seek "good" jobs, that is, higher-paying jobs with benefits.

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Table 3.2

Client-Experienced Program Features

	Self-Sufficiency Approach		Enforcement of the Participation Mandate			Supports for Participation: Child Care		Partnership Between Eligibility and Self-Sufficiency Staff
Program	Employment	Education	Enrollment	Monitoring	Sanctioning	Message	Availability	
Atlanta LFA	High	Moderate	Broad-delayed	Moderate	High	Encouraged use; licensed care only	No shortage	Limited
Atlanta HCD	Low	High	Broad-delayed	Moderate	High	Encouraged use; licensed care only	No shortage	Limited
Grand Rapids LFA	High	Low	Broad	High	Very high	Suggested use; choice of provider	No shortage	Limited
Grand Rapids HCD	Low	High	Broad	High	Very high	Suggested use; choice of provider	No shortage	Limited
Riverside LFA	High	Low	Broad	High	High	Encouraged low-cost, informal care	Occasional shortage	Limited
Riverside HCD	Moderate	High	Broad	High	High	Encouraged low-cost, informal care	Occasional shortage	Limited
Columbus Integrated	Low	High	Broad	Moderate	Very high	Suggested use; choice of provider	No shortage	Strong
Columbus Traditional	Low	High	Broad	Low	Very high	Suggested use; choice of provider	No shortage	Limited
Detroit	Low	High	Selective	Low	Low	Organizational emphasis on providing assistance; choice of licensed or approved provider	No shortage	Very limited
Oklahoma City	Low	High	Selective	Low	Low	Organizational emphasis on providing assistance; licensed care only	No shortage	Limited
Portland	High	Moderate	Moderately selective	High	Moderate	Emphasis on necessity of arrangements; choice of provider	No shortage	Strong

II. Degree of Participation Mandate Enforcement

In addition to the messages about work and education that case managers send to clients and the relative mix of services that a program provides, the degree to which a program enforces a participation mandate has also been shown to affect program impacts.[3] The three elements of enforcement include the broadness with which a program enrolls from its caseload, how well it monitors participants' progress, and how strictly the participation requirements are enforced. In other words, a high or low ranking indicates the likelihood that a client would be told to participate, the likelihood that her case manager would know if she had not been participating, and how swiftly or surely she would be sanctioned for not participating. Nine of the 11 NEWWS programs did provide "high enforcement"; that is, they were rated the equivalent of "high" on at least two of the three elements. Two programs, Detroit and Oklahoma City, were rated the equivalent of "low" on all three elements of enforcement. (See Table 3.3.)

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Table 3.3

Enforcement of the Participation Mandate

High Enforcement	Low Enforcement
Atlanta LFA Atlanta HCD Grand Rapids LFA Grand Rapids HCD Riverside LFA Riverside HCD Columbus Integrated Columbus Traditional Portland	Detroit Oklahoma City

The rest of this section describes how each program was rated regarding the enforcement of the participation mandate. Within each element of enforcement sites are listed in a rough rank order, from high to low.[4] A number of factors can contribute to a program's overall ranking on an element; a site may be high on one but low on others, but no specific weighting of these factors has been made.

A. Broadness of Enrollment

How likely was it that an individual would have been required to participate in the welfare-to-work programs?[5]

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[3] See Bloom, 1997, p. 51; Kemple, Friedlander, and Fellerath, 1995, pp. ES-2 and ES-3; and Friedlander et al., 1987, pp. vii-x.

[4] More detailed implementation analyses of each program's features can be found in Hamilton and Brock, 1994; Hamilton et al., 1997; Scrivener et al., 1998; and forthcoming NEWWS reports on Columbus, Detroit, and Oklahoma City.

[5] Also see Hamilton and Brock, 1994, pp. 51-55, for a more detailed description of the sites' enrollment practices.

Single parents with children aged 3 or over were required to participate in all programs studied in this evaluation, with some programs requiring participation of women with children as young as age 1. Individuals who had health barriers, were pregnant, or were already working 30 hours per week could be exempted from this mandate.

At a number of points administrator and case manager discretion, combined with funding and resource constraints, could affect a welfare applicant's or recipient's chances of enrolling in a welfare-to-work program. First, five of the programs required women with children as young as age 1 to enroll. Since over 40 percent of the welfare cases nationwide include a child under age 3,[6] expanding the mandate to this group significantly increases the proportion of the caseload that could be served by the program. Second, case managers might not tell all of those who meet the demographic criteria to enroll. Third, individuals might not show up for the program orientation because they do not wish to participate or they become exempt or go off of welfare in the period between referral and orientation date, especially if the period is long.[7] Finally, even recipients who attend an orientation could be deferred from future activities at case managers' discretion.

The **Grand Rapids LFA and HCD, Columbus Integrated and Traditional, and Riverside LFA and HCD programs** enrolled broadly, including virtually their entire mandatory caseload. Both of the Grand Rapids programs included parents with children as young as age 1 in their participation mandate.

The **Atlanta LFA and HCD programs** aimed to enroll their entire mandatory caseloads; however, budget limitations created a waiting list, sometimes as long as six months, before those who had been referred to the program could actually enroll. During a waiting period welfare recipients with the fewest barriers to work are able leave the rolls on their own; thus, the clients who actually enroll may be slightly more disadvantaged than they would be if there were no waiting list.[8] Indeed, Atlanta's sample comprises more long-term recipients than most other sites' samples. (See Table 2.3.) Because the Atlanta programs did refer virtually all members of their mandatory population to the program, and enrolled all those who were left after the delay, their enrollment is termed "broad-delayed" in Table 3.2.

The **Portland program** extended its mandate to parents of very young children (as young as age 1), but selectively enrolled from its mandatory population. Some individuals determined "hard-to-serve," that is, less employable, either would not be referred for enrollment in the program or, after attending a program orientation, would not be assigned to further activities. For these reasons Portland can be considered moderately selective.

The **Detroit and Oklahoma City programs** also extended their mandate to women with very young children, but were more selective than other programs. Like Atlanta, Detroit had a waiting list for "slots" in the program. Guided by the principle that the program would rather spend scarce resources on those who wished to participate than on cajoling those who might never participate, staff tended to give priority to "mandatory" clients who volunteered for the program. In addition, case managers spent a large proportion of their time authorizing child care and support service payments, leaving little time to focus on individuals who were not eager to enroll. Oklahoma City referred all those eligible to its program;however, since it was also limited by resources and rising caseloads, much of the responsibility for enrolling in program activities fell on the client. Case managers assisted clients in finding appropriate services, but the self-directed enrollment allowed more resistant individuals to avoid the mandate. As mentioned in Chapter 2, this evaluation examines only the experiences of applicants in the Oklahoma City program; its treatment of recipients may have been different from the situation described in this chapter.

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[6] U.S. Congress, 1996, Table 8-32. Data are for 1994. Percentage of all AFDC households with a child under age 3.

[7] Future MDRC analyses will examine the length of time between referral to and enrollment in welfare-to-work programs and the reasons for orientation nonattendance.

[8] See Bane and Ellwood, 1983; Pavetti, 1992; Gueron and Pauly, 1991; and Hamilton and Brock, 1994.

B. Closeness of Participation Monitoring

How often or how quickly would an enrollee be contacted by her case manager if she was not participating?

Once clients begin participating, they may drop out of activities or attend irregularly because they have a new job, have new problems with child care or transportation, or no longer want to participate. Close monitoring can help case managers maintain and increase participation among their caseload, facilitate the authorization of transitional benefits for individuals who leave welfare for work, or speed case closures for individuals who become ineligible. In order to monitor participation closely, case managers must learn about attendance problems from activity providers, determine the reasons for them, contact clients about their options or the consequences of nonparticipation, and then inform the income maintenance branch of a case's outcome. How closely an individual will be monitored depends on the level of information that case managers get from the activity instructors and providers and on the time that case managers have to devote to this task.

The **Riverside and Grand Rapids LFA and HCD and Portland programs** all intensively monitored their participants' progress. Overall, more case managers in these sites indicated receiving a lot of information about attendance from providers than those in most other sites. In addition, case managers reported that it took them between one and two weeks to both hear about attendance problems from providers and contact clients about their attendance, the shortest in the range of time among the programs.

The **Atlanta LFA and HCD and Columbus Integrated programs** engaged in moderate monitoring of their clients. Information sharing between providers and case managers was not as regular in these programs as in the intensive-monitoring programs, and it took between two and a half and three and a half weeks to get information from providers. These programs did, however, contact clients in less than two weeks once they learned of attendance problems.

The **Oklahoma City, Detroit, and Columbus Traditional programs** engaged in less intensive monitoring of their clients than the other programs. Regular protocols for obtaining attendance information from providers were not in place for at least two of the programs. It took a little longer, on average, for all three programs to get information from providers than it did for the moderate-monitoring programs. Moreover, it took between two and three weeks for case managers to contact clients about their attendance problems; on average one week longer than for the moderate-monitoring programs.

C. Level of Mandatoriness

How much would an individual be encouraged, or coerced through financial sanctions, to participate in a program if she did not want to?

The great majority of welfare recipients who are required to participate in welfare-to-work programs believe, prior to hearing details about the program, that they will have trouble participating, citing barriers such as a lack of child care or transportation, or having a health or emotional problem.[9] All the programs in this evaluation provided monetary assistance to help participants with child care and transportation, but they also relied on case managers to work with clients to remove participation barriers or to coerce participation through the imposition of a financial sanction. Most of the programs were strongly committed to enforcing the participation mandate for their welfare caseload, though the degree to which clients were more likely to be cajoled or coerced differed. Individuals in Detroit and Oklahoma City were not as likely to be coaxed into participating if they did not want to, though this was largely the consequence of limited program funding and staffing.

The **Grand Rapids LFA and HCD and Columbus Integrated and Traditional programs** were very highly committed to the enforcement of clients' participation obligation. Case managers sent strong messages about the consequences of nonparticipation and, in instances of noncompliance, imposed financial sanctions swiftly on a large percentage of their caseloads.

While other programs informed clients of the necessity of program participation, they gave them more chances to comply than Grand Rapids or Columbus. **Atlanta LFA and HCD** case managers were somewhat less comfortable with enforcing participation requirements through financial sanctions, though they did so on a regular basis. More clients were sanctioned in Atlanta's HCD program than in its LFA program, though the messages that case managers sent about requirements were not different.

Riverside LFA and HCD staff tended to view sanctions as one tool to get clients to attend activities and initially emphasized to clients the importance of personal responsibility. Riverside staff did not delay requests for or impositions of sanctions; the process, however, took longer than in most other programs because of extensive state-mandated due process procedures. In **Portland** staff also emphasized ways to solve problems related to nonparticipation rather than reductions in clients' grants. In Riverside and, to a greater extent, in Portland staff were more willing to defer individuals from participation requirements than in either Columbus or Grand Rapids. Staff in Portland did, however, ultimately sanction noncompliant individuals.

In **Detroit and Oklahoma City** the mandatory participation requirements were communicated less intensively to clients. As already mentioned, staff in these two sites focused on those who wanted to participate. Resource constraints kept staff from following up on nonparticipation, and staff tended to delay imposing sanctions.

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[9] See Hamilton and Brock, 1994.

III. Other Program Features

A. Child Care Supports for Participation and Work

How much support in the form of child care assistance could an individual expect for her participation in a program or subsequent employment?

For many welfare recipients with young children the major obstacle to working or attending an education or job training program is child care. All 11 programs studied in the evaluation provided this assistance to participants in the program (and to control group members who enrolled in activities on their own in the community) as well as transitional child care (TCC) for those who left welfare for work. However, the relative emphasis that the programs placed on making this assistance available and the messages that case managers sent to clients about the type of care they should choose varied.

Participation-related child care. In the **Atlanta LFA and HCD, Oklahoma, Portland, and Detroit programs** child care assistance was emphasized either by site staff or by the welfare department's organizational structure. In both Atlanta programs case managers actively promoted the availability of child care reimbursement as a benefit of program participation and even used it as an inducement for noncompliant clients to participate. In Oklahoma state-wide emphasis on access to child care made assistance to clients readily available while they were in the program and after they left welfare for work. Oklahoma had no set caps on the amount of child care assistance that clients could receive. Atlanta and Oklahoma reimbursed only for care given by licensed providers.

In Portland caseworkers told clients that not having child care arrangements was not an acceptable reason for not participating in program activities. Staff often encouraged clients to have backup arrangements in case their regular provider fell through. Although case managers did not push specific types or locations of providers, they did emphasize the necessity for clients to make arrangements and assisted clients who were unable to make arrangements on their own.

In Detroit case managers reported that they spent much of their time on child care payment authorizations and that the priority placed on making child care payments took time away from employment and training counseling. Detroit staff would make referrals to licensed providers in the area on request, but the choice of provider (including choosing licensed child care or unlicensed care approved by the welfare department) was left to the client.

Both the **Grand Rapids and Columbus programs** would reimburse expenses from child care in licensed as well as unlicensed care, but expected clients to make their own arrangements. Referrals to licensed providers in the area could be made for clients at their request.

Child care providers were not difficult to come by in any of the National Evaluation of Welfare-to-Work Strategies sites except **Riverside,** where case managers noted that some area providers did not like working with the program or its participants because they did not approve of the reimbursement rates or procedures. In Riverside, case managers encouraged clients to use low-cost, more informal arrangements, both to contain program costs and because case managers believed that clients would be more able to afford such arrangements after program or other government supports expired. Clients and case managers often clashed about the providers they wished to use, especially if clients chose more expensive care.

Transitional child care. Research in this area is not yet complete, but preliminary data indicate that in **Detroit, Portland, Columbus, and Oklahoma City** authorization for TCC payments did not appear to be difficult. Some of the ease in Portland, Columbus Integrated, and Oklahoma may be a result of their use of integrated case managers, who are more likely to know both the AFDC and employment information needed to determine if a client is eligible for TCC.

In the **Atlanta, Grand Rapids, and Riverside LFA and HCD programs** few clients who began working received TCC; case managers in all three sites cited a lack of information about clients' welfare status when authorizing child care payments.

B. Culture of Eligibility to Culture of Self-Sufficiency — Integrated Case Management

How likely was a welfare recipient to get a unified self-sufficiency message from the welfare department?

The eligibility-compliance culture of the welfare system, in which contact between a client and an agency is focused solely on determining eligibility for staying on welfare, has been harshly criticized. Implementing a mandatory welfare-to-work program was one way that welfare offices hoped to change from an eligibility-compliance culture to a self-sufficiency culture, which would structure interactions and expectations around leaving welfare for work and preparation and supports for it. Yet this task is formidable; it requires the income maintenance and employment services staffs of the welfare offices to work together to send a unified message of the self-sufficiency goal to the client. If the sole responsibility for delivering the self-sufficiency message is remanded to the employment and training program, programs can be interpreted by clients and workers as requirements for continued receipt of assistance, or another element of compliance, instead of an overhaul of the philosophy of the welfare department. Implementing an integrated case management approach, in which one worker is responsible for both the eligibility determination and employment services functions, is one way that has been suggested to achieve a more unified culture.[10] Three of the programs in the NEWWS Evaluation used integrated case management, but they and the other eight programs met with different levels of success in coordinating the messages between their eligibility and employment preparation staffs and in refocusing the welfare department's interactions with clients on the road toward self-sufficiency.

As part of a specially formulated research experiment, the **Columbus Integrated program** used integrated case management. Staff had sufficient resources and low enough caseloads that they were able to perform both their income maintenance and self-sufficiency roles. Thus, an individual's case manager could both monitor her progress in becoming self-sufficient and verify her credentials for staying on welfare This program had the largest effect on changing clients' minds about whether they agreed that the welfare office tried hard to get recipients employed or enrolled in school.[11]

The **Portland program** was marked by a strong partnership between welfare-to-work staff (eligibility workers and integrated case managers) and case management staff contracted by

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[10] See Bane and Ellwood, 1994, p. 127.
[11] See Table 4.2.

Portland's welfare department. The division of labor was flexible between contractor staff and welfare department integrated case managers, with responsibility for case management services such as reassignment to activities and attendance monitoring, as well as a mission of promoting self-sufficiency, shared by both. Moreover, eligibility workers in Portland were among the most knowledgeable about the program and spent more time discussing the program with recipients than those in most other programs. These results suggest that together eligibility workers, integrated case managers, and contractor staff were able to send a unified self-sufficiency message to welfare recipients.

Oklahoma City also used integrated case management. However, limited resources and large caseloads led case managers to put little overall emphasis on the employment services function of their position; in fact, their performance evaluation benchmarks were primarily related to the accuracy of their eligibility duties. Like Portland, Oklahoma City supplemented its integrated case managers with some caseworkers who focused on employment-related services. However, owing to staffing constraints, not all clients received this added case management. The result was a program with little overall emphasis on self-sufficiency.

The **Atlanta, Grand Rapids, and Riverside LFA and HCD, and Columbus Traditional programs** all used a separated, or "traditional," case management structure, in which a client had two different case managers, one who specialized in determining eligibility and processing payments and another who focused on her participation and progress in a welfare-to-work program. Although the different staffs did not report any major problems in their working relationship, they mentioned that there was a lack of partnership between the two. Income maintenance workers knew little about the programs and most often discussed with clients the penalties for nonparticipation in the program, not the services it provided, suggesting that participation was cast as a compliance requirement and not a route to self-sufficiency.

In **Detroit** the separation between the two staffs of the welfare department was even more pronounced. Income maintenance workers knew little about the program and had almost no contact with clients regarding their participation; the welfare-to-work program case managers in Detroit handled some income-related functions related to program participation, such as child care payments, that income maintenance workers were responsible for in the other traditional sites. Staff mentioned that this separation was intentional, so that the welfare-to-work case managers would be able to communicate consistent messages and information. In short, the priorities of the two staffs were so dissimilar that an individual was likely to experience very different cultures during her contact with the department.

IV. Conclusion

The remainder of this report presents the impacts, or effects, that the 11 programs in the National Evaluation of Welfare-to-Work Strategies had on outcomes such as employment, earnings, welfare receipt, and child and family well-being. This chapter is intended to provide a context for interpreting the results that follow by showing the range of programs on key implementation dimensions and demonstrating that there is no typical "package" of welfare-to-work program features. For example, the most work-focused programs are not necessarily the toughest; those that use integrated case management do not necessarily monitor their enrollees' progress more effectively than others. Given this information, it is important to interpret each program's impacts as a result of its entire "bundle" of services and features.

Chapter 4

Impacts on Use of Employment-Related Services, Sanctions, Attitudes Toward Work and Welfare, and Degree Receipt

This chapter examines whether employment- and education-focused programs increased sample members' participation in employment-related activities. It also compares the frequency with which program group members incurred a sanction — a reduction in their welfare grant for noncompliance with program requirements — and explores the extent to which different welfare-to-work approaches changed sample members' attitudes toward work and welfare. Finally, the chapter discusses whether education-focused programs increased the percentage of sample members who attained GED certificates or other educational credentials after random assignment, a key impact measure for these types of programs. Results are presented for the full sample and for subgroups defined by whether or not members had attained a high school diploma or GED certificate before random assignment.

I. Key Questions

- Did particular self-sufficiency approaches increase sample members' overall use of employment and training services compared with what they would have attained on their own initiative?
- Did employment-focused programs produce large gains in participation in job search? Did education-focused programs produce large gains in participation in education and training activities?
- How frequently did case managers use sanctions to enforce mandatory participation requirements? Were employment- or education-focused programs more likely to use sanctions?
- Were employment- or education-focused programs more likely to change sample members' views on work and welfare, decreasing the likelihood of their viewing welfare as a long-term support?
- Did programs emphasizing education and training activities increase the percentage of recipients who received a GED after entering the program? Did these programs also increase the percentage of sample members who received a trade certificate?

II. Analysis Issues

This analysis of sample members' levels of participation and degree attainment extends the discussion of program dimensions summarized in Chapter 3. Participation levels for program group members demonstrate how successfully employment- and education-focused programs implemented their strategies for promoting self-sufficiency. Differences across programs in sanction rates and in program group members' attitudes toward work and welfare also suggest how intensely program staff enforced mandatory participation requirements and communicated a message promoting work over welfare.

The main purpose of this chapter, however, is to determine how consistently employment- and education-focused programs *increased* participation levels or degree receipt beyond what recipients would be expected to attain had they never enrolled in a mandatory welfare-to-work program. Results for control group members represent these alternative outcomes, and program-control group differences indicate the effect, or *impact*, of each program. It should be stressed that a program's effect on participation depends on the levels attained by members of *both* the program and control groups. In previous welfare-to-work evaluations from 20 to 40 percent of control group members enrolled in education and training programs on their own initiative.[1] Thus, two programs that achieved the same level of participation for program group members may have very different impacts, depending on how frequently their respective control group members attended employment-related activities on their own initiative.

Although programs differed in employment-preparation strategy, all are expected to increase overall levels of participation in employment-related activities. Program group members were usually assigned to activities when they entered the program and most program staff worked actively — some by persuasion, others by enforcement — to facilitate participation. Control group members, on the other hand, enrolled in activities only if they wanted to and were not subject to financial penalties for nonattendance. Programs may also shift participation patterns, for example, by assigning recipients who would likely have attended vocational training activities on their own initiative to job search or basic education activities.[2]

These comparisons provide an important context for interpreting program effects on employment and welfare receipt discussed in succeeding chapters. For instance, it would be expected that programs attaining large increases in job search participation would likely move large numbers of program group members into the labor market quickly, producing an immediate impact on employment. In contrast, programs that increase attendance in education and training activities will likely delay the start of many program group members' search for employment, resulting in little or no impact on employment during the first year of follow-up, or perhaps longer. (Employment gains may occur later in the follow-up, however.) Further, differences in the experiences, skills, and attitudes that program and control group members acquired could affect the kinds of jobs they were able to find and whether they were willing to accept a relatively low-paying job (or one without health benefits) or wait until they could find a better employment opportunity.

Participation levels are estimated from survey responses. The analysis includes all instances of participation after random assignment, including activities that occurred outside the program.[3] Sample members are considered to have participated in an employment-related activity if they attended for at least one day. Many participants attended for a longer period.[4]

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[1] See, for example, Riccio, Friedlander, and Freedman, 1994, Table 2.4, p. 39; Kemple, Friedlander, and Fellerath, 1995, Table 3.5, p. 58; Hamilton and Friedlander, 1989, Table 3.1, p. 38.

[2] See Hamilton et al., 1997, Table 2.2, p. 31, on welfare recipients' limited interest in basic education.

Program-control group differences, or *impacts*, in participation levels of 20 percentage points or more are considered "large"; differences of 10 to 20 points, "moderate"; and differences below 10 points, "small." Except where indicated, all impacts discussed below were statistically significant. Impacts of at least 10 percentage points in degree receipt are considered "large."[5]

III. Key Findings

- Most employment- and education-focused programs achieved large increases (at least 20 percentage points) in basic education participation for sample members who participated in an employment-related activity during the two-year follow-up.
- As expected, the four employment-focused programs produced large gains in job search participation — between 27 percentage points (Grand Rapids LFA) and 32 percentage points (Portland) — compared with control groups. These programs attained large increases in job search participation for sample members with a high school diploma or GED certificate at random assignment, as well as for nongraduates.
- Most education-focused programs achieved large increases in basic education participation for sample members lacking a high school diploma or GED certificate at random assignment. But education-focused programs had little effect on participation in employment-related training for high school graduates and GED holders.
- Three of the seven education-focused programs, as well as Portland's employment-focused, varied first activity program, produced moderate to large increases in attainment of a GED certificate among welfare recipients who lacked these credentials at random assignment.

To what extent did welfare recipients participate in employment-related activities in the absence of a mandatory welfare-to-work program?

As shown in the first panel of Appendix Table A.1, a relatively large percentage of control group members took part in employment and training activities on their own initiative during the two-year follow-up. In Grand Rapids, Detroit, Oklahoma City, and Portland about 40 percent of control group members reported participating for at least one day in an employment-related activity. Participation rates were lower for control group members in Atlanta, Columbus, and Riverside, ranging from 18.9 to 29.3 percent.

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[3] As with any self-reported data, respondents may have omitted some instances of participation, particularly short-term activities like job search, or reported participating in activities that probably occurred before random assignment.

[4] See Hamilton et al., Tables 5.5 and 6.5, pp. 128-29, 155-56; and Scrivener et al., 1998, Table 3.4, p. 63, for information on total hours of participation in seven of the 11 programs. As shown, program group members who attended job search activities averaged more than 100 hours of participation, and program group participants in education and training activities averaged more than 400 hours over a two-year period.

[5] These impact levels are informed by results of previous evaluations of welfare-to-work programs that used an experimental design. See note 5.

These site-by-site variations resulted partly from differences in availability of low-cost education and training programs in each community, but also from differences in the background characteristics of control group members. For instance, in Grand Rapids and Detroit about a third of the sample entered the program having already enrolled in community education and training programs prior to random assignment, and many in the control group continued attending after assignment. Further, as discussed in Chapter 2, in Oklahoma City and Portland a relatively high percentage of sample members had a high school diploma or GED certificate and prior work history. Participation levels in self-initiated activities are generally higher for these more "advantaged" groups within welfare populations, as community education and training programs often require a high school diploma and related work experience for admission.[6]

Control group members participated most often in education and training activities and least often in job search, work experience, or on-the-job training.[7] As shown in Appendix Table A.1, about a fifth to a quarter of control group members in all sites except Atlanta and Columbus participated in employment-related post-secondary education or vocational training courses. Relatively few control group members attended basic education courses: attendance rates varied between 5 and 13 percent in all sites, except Detroit, where just under 20 percent participated.

What were the participation patterns of program group members in employment- and education-focused programs?

As shown in Appendix Table A.1, about half of program group members in most sites participated in an employment-related activity during the two-year follow-up. Levels for the 11 programs are comparable to participation rates attained by most welfare-to-work programs studied in previous evaluations.[8]

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[6] See Hamilton and Brock, 1994, pp. 44-50, and associated Appendix D tables, pp. 132-63, for a discussion of differences in pre-random assignment participation patterns and frequency of reported barriers to participation for subgroups within the NEWWS Evaluation sample. See Riccio, Friedlander, and Freedman, 1994, Tables 2.7 and 2.8, pp. 44-45, for a comparison of post-random assignment participation patterns in California's GAIN Evaluation among subgroups of control members defined by their determined need for basic education. See Friedlander and Hamilton, 1993, Table 6.1, pp. 70-71, for subgroup differences in participation patterns of control group members in the SWIM Evaluation. See Hamilton et al., 1997, p. 43.

[7] As shown in Appendix Table A.1, between 4 and 8 percent of control group respondents reported participating in job search activities. About half of these control group members reported receiving job search assistance from one of the following institutions: JTPA Private Industry Council, state Job Service or Unemployment Insurance agency, community college, adult education school, church or community organization, or private technical or vocational school. the other half reported participating in a job search activity operated by the welfare department. It is likely that these individuals are recalling attendance in job club prior to random assignment.

[8] See Hamilton and Friedlander, 1989, Table 3.1; Riccio, Friedlander, and Freedman, 1994, Table 2.1, p. 26; Kemple, Friedlander, and Fellerath, 1995, Table 3.5, p. 58; and Friedlander and Burtless, 1995, Table 3.1, p. 51, for participation rates of previous welfare-to-work programs evaluated by MDRC. Participation levels for program group respondents estimated from survey responses differ somewhat from those estimated from program case files (for the two Columbus programs and Oklahoma) or from a combination of case file records and survey responses for a smaller sample (for Portland and for the LFA and HCD programs in Atlanta, Grand Rapids, and Riverside).

(continued)

There is no clear association between a program's focus and its overall participation rate. For instance, the four programs with the highest participation rates include two education-focused programs (Grand Rapids and Riverside HCD) and two employment-focused programs (Grand Rapids LFA and Portland).

As expected, employment-focused programs recorded the highest levels of participation in job search — between 31.9 and 40.4 percent. As shown in Appendix Table A.1, few members of employment-focused programs participated in basic education. Participation in employment-oriented programs at community colleges or vocational training centers was more common in three of these programs, however, with levels ranging from 19.3 percent (Riverside LFA) to 28.7 percent (Portland). As noted in Chapter 3, employment-focused programs sometimes assigned to short-term education and training programs enrollees who completed job search without finding employment. Case managers in some of these programs, notably in Grand Rapids, also permitted program group members to continue participating in education and training programs that they had begun prior to random assignment. As a result, more than a third of Grand Rapids LFAs participated in some type of education or training program. Portland's program group members also reported relatively high levels of attendance in any type of education or training — nearly 40 percent (not shown). The use of on-the-job training and unpaid work experience was limited, even in employment-focused programs. (See Appendix Table A.1.)

Conversely, fewer than 20 percent of members of education-focused programs participated in job search activities. The notable exception was the Riverside HCD program, where more than 25 percent of group members reported participating in job search. As discussed in the previous chapter, more case managers in Riverside's HCD program than in the other education-focused programs shared in the site's employment-focused philosophy and emphasized rapid entry into the labor market.

As also expected, the largest percentage of program group members in the seven education-focused programs reported participating in some type of education and training activity, including basic education, post-secondary education, and vocational training. Participation levels varied a great deal across these seven programs, however, ranging from about a third of program group members in the Columbus Integrated and Traditional programs to nearly 60 percent in the Riverside HCD program. The Grand Rapids HCD program also attained participation levels in education and training above 50 percent, partly because the program randomly assigned a high percentage of recipients who were already participating in an education or training program at random assignment. About 40 percent of program group members in Atlanta, Detroit, and Oklahoma City reported participating in an education or training program. (Results not shown.)

Most education-focused programs assigned persons lacking a high school diploma or GED certificate to basic education courses. As noted in previous chapters, Riverside assigned only recipients determined to need basic education to its HCD program. As indicated in Appendix Table A.1, participation levels in basic education were much higher for Riverside HCDs

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Participation levels were noticeably higher in both Atlanta programs and lower in Oklahoma and Detroit when recorded from these alternative sources and samples. For these alternative estimates see Hamilton et al., 1997, Table 5.1, p. 110 (Atlanta LFA), and Table 6.1, p. 138 (Atlanta HCD); Scrivener et al., 1997, Table 3.1, p. 50 (Portland); Brock and Harknett, 1998, pp. 12-14 (Columbus Integrated and Traditional); and Hamilton and Brock, 1994, Table 4.1, pp. 86-87 (Detroit and Oklahoma City).

(nearly 50 percent) for program group members elsewhere. (See Appendix Table A.2 for direct comparisons.) Elsewhere among education-focused programs, about a fifth to a quarter of program group members participated in basic education, when graduates and nongraduates are considered together (see Appendix Table A.1).

These programs also assigned graduates (and some nongraduates who completed basic education) to vocational training or employment-oriented courses at community colleges, proprietary schools, or facilities run by community-based organizations. About a third of the entire Grand Rapids HCD sample participated in one of these training classes; levels were nearly as high in Detroit and Oklahoma, but much lower among Atlanta and Riverside HCDs and members of the two Columbus programs.

Did any welfare-to-work approach produce especially large increases in participation in any employment-related activity?

Most employment- and education-focused programs achieved large increases in participation in any employment-related activity during the two-year follow-up. As shown in Figure 4.1, eight programs recorded gains of more than 20 percentage points (the threshold level for a *large* increase) above control group participation levels. Notably, impacts were much smaller for the two low enforcement education-focused programs in Detroit and Oklahoma City: 8.8 and 11.0 percentage points, respectively. Grand Rapids LFA produced a moderate increase. Relatively high levels of participation by control group members — about 40 percent — helped limit the size of the impacts of these three programs.

Did employment-focused programs produce large gains in participation in job search? Did any education-focused programs also increase job search participation?

As expected, the four employment-focused programs produced large gains in participation in job search activities — between 27 percentage points (Grand Rapids LFA) and 32 percentage points (Portland) — compared with control group levels. (See Figure 4.1.) As shown in Figures 4.2 and 4.3, these four programs produced large gains in job search participation (above 20 percentage points) for sample members who entered the program with a high school diploma or GED certificate, as well as for nongraduates.

Education-focused programs may increase participation in job search, often by assigning to job search enrollees who complete education activities without finding a job.[9] Only the Riverside HCD program, which excluded most high school graduates and GED recipients, produced large gains in job search participation. All other education-focused programs also raised job search participation levels, but to a much smaller extent. Impacts were similar across educational attainment subgroups for these programs. (See Figures 4.1–4.3).

Did any program increase participation in unpaid work experience or on-the-job training?

TANF participation requirements encourage states to enroll welfare recipients in unpaid work experience or on-the-job training (OJT). None of the 11 programs in the evaluation made extensive use of these activities: even among the four employment-focused programs no more

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[9] See Hamilton et al., 1997, Figure 3.2, p. 41, and pp. 42-43, for a discussion of the sequencing of activities in education-focused programs.

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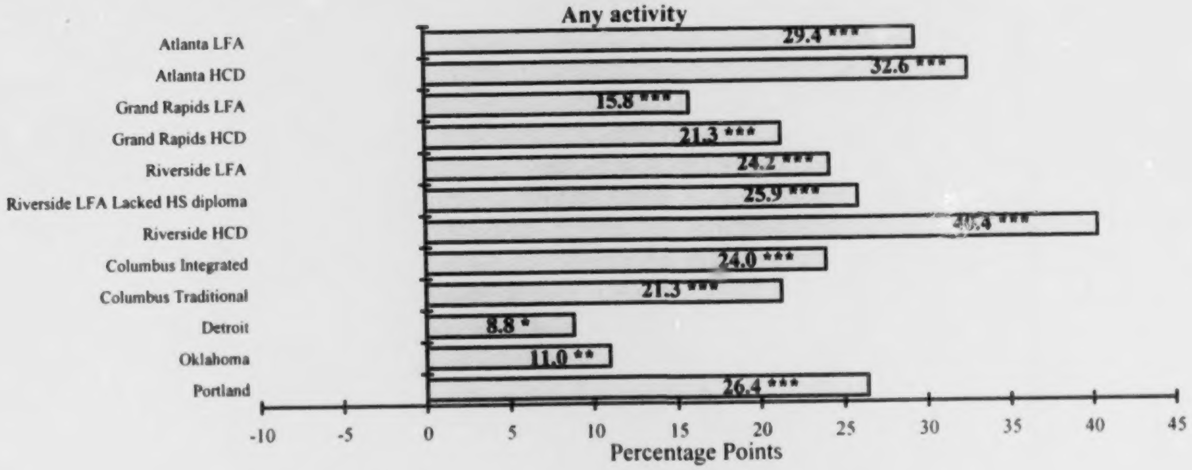
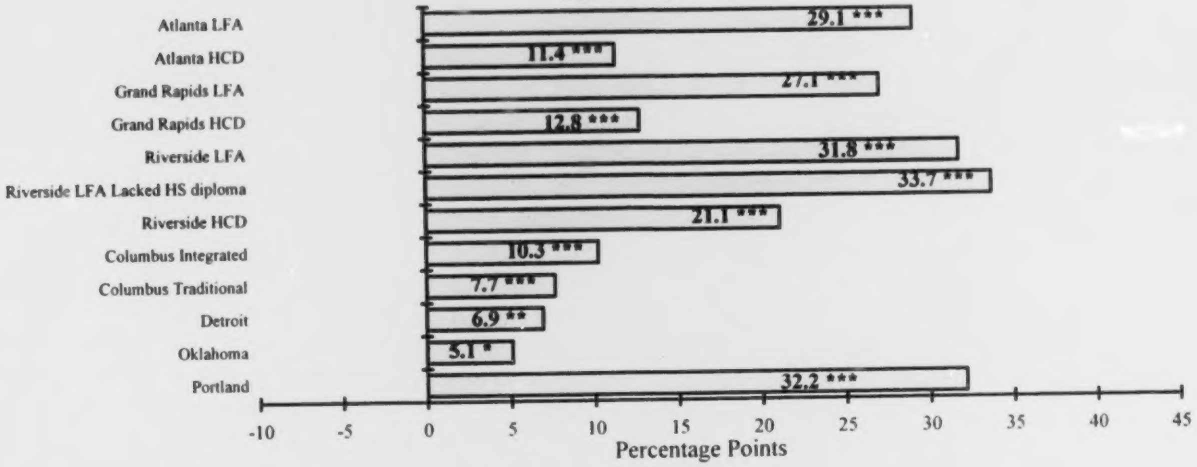
Figure 4.1

Impacts on Participation in Employment-Related Activities for All Sample Members

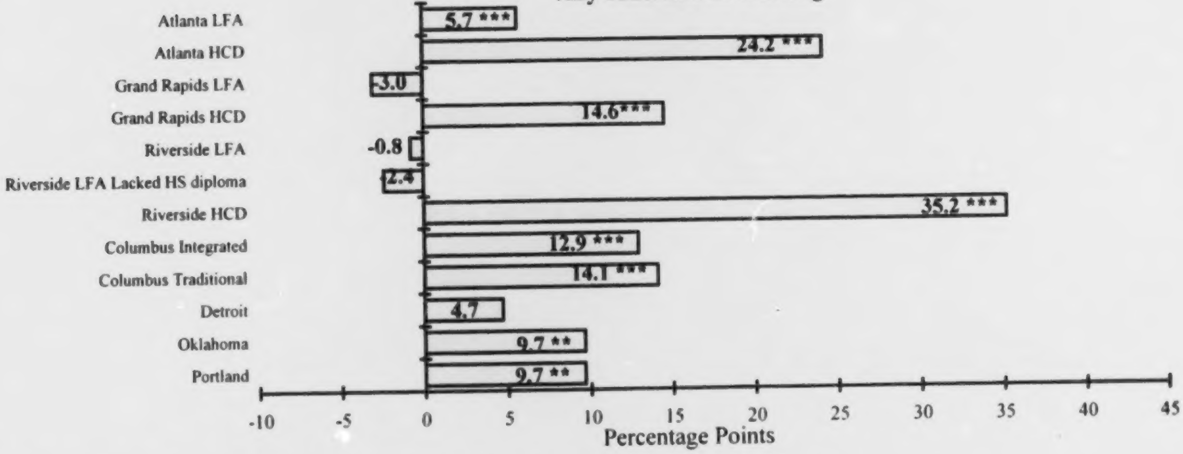
Any activity



Job search



Any education or training



SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTE: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

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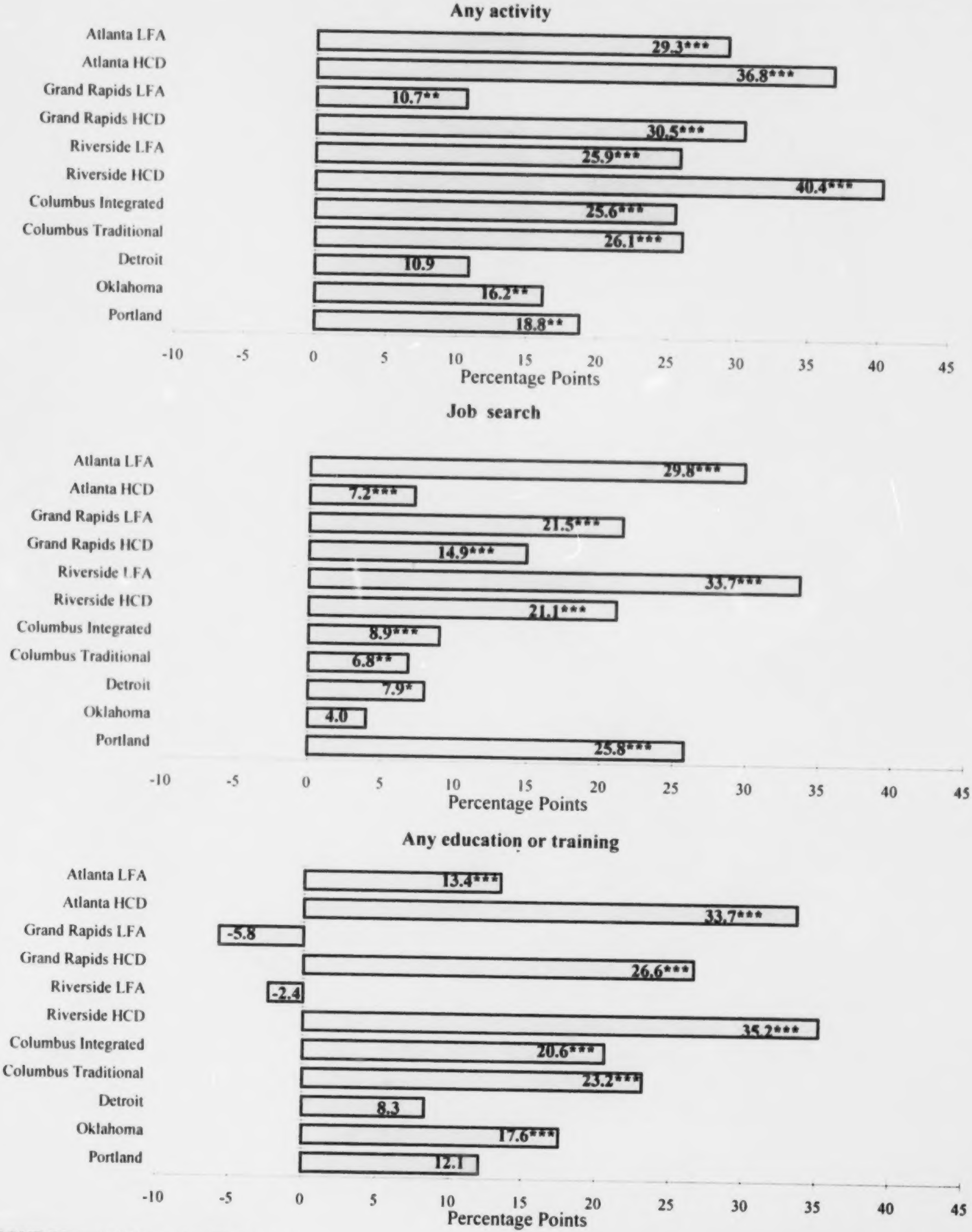
Figure 4.2

Impacts on Participation in Employment-Related Activities for Sample Members Without a High School Diploma or GED at Random Assignment


Any activity

Job search

Any education or training

SOURCE and NOTE: See Figure 4.1.

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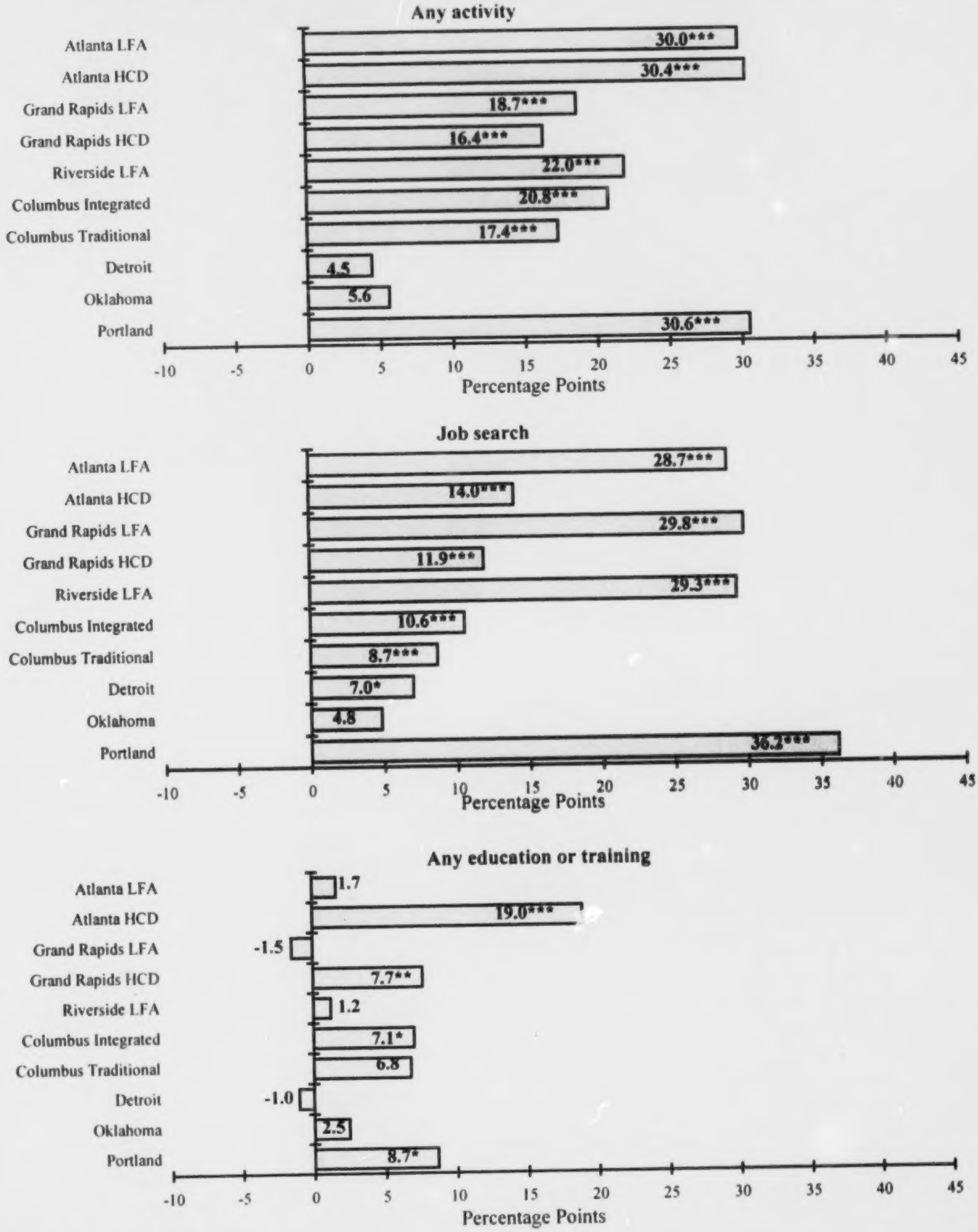
Figure 4.3

Impacts on Participation in Employment-Related Activities for Sample Members With a High School Diploma or GED at Random Assignment



SOURCE and NOTE: See Figure 4.1.

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than 10 percent of program group members took part in work experience or OJT. (See Appendix Table A.1.) Most employment- and education-focused programs achieved small gains in participation in work experience and OJT, however, because close to zero control group members ever participated.

Did education-focused programs produce large gains in participation in education and training activities?

Effects on participation in education and training were small to moderate, when all sample members are considered together. But most education-focused programs achieved large increases in participation for sample members lacking a high school diploma or GED certificate at random assignment. (See Figures 4.1 and 4.2.)

Most education-focused programs produced large gains in attendance in basic education activities for sample members who had not completed high school or received a GED certificate before random assignment. The Grand Rapids HCD, Detroit, and Columbus Traditional programs also attained small increases in participation in post-secondary education or vocational training activities for nongraduates. (See Appendix Table A.2.)

In contrast, only the Atlanta HCD program achieved even a moderate increase in participation in any type of education or training among high school graduates and GED recipients. The small changes in participation for graduates occurred partly because participation levels were lower for program group members in this subgroup than for nongraduates. In addition, a relatively large percentage of control group members in the graduate subgroup enrolled in post-secondary education or vocational training courses on their own initiative. (See Appendix Table A.2.)

How frequently did case managers use sanctions to enforce mandatory participation requirements? Were employment- or education-focused programs more likely to impose sanctions?

Use of financial sanctions can affect enrollees in many ways. Most immediately, a sanction reduces a family's welfare grant. Sanctions or threat of sanctions may also encourage some enrollees to complete employment-related activities, thereby strengthening the program's "treatment" effect. (Program administrators often state that this is the primary goal of imposing sanctions.) Programs that impose sanctions frequently may also encourage enrollees to leave welfare sooner, perhaps by taking a job that they would not have otherwise accepted, or even to forgo welfare without employment.

In theory, programs, whether employment- or education-focused, can respond in a number of ways to enrollees who do not participate when required — from taking no action to persuasion and counseling to imposing financial sanctions. To some extent, however, enrollees in education-focused programs have a greater chance of incurring a sanction, simply because education and training activities usually take longer to complete.

As shown in the bottom panel of Table 4.1, members of education-focused programs were somewhat more likely to incur a sanction. Three education-focused programs (Grand Rapids HCD and Columbus Integrated and Traditional) and one employment-focused program (Grand Rapids LFA) recorded high sanction rates, ranging from 26 to 32 percent of program group members. At the other extreme, few program group members in the low enforcement edu-

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Table 4.1

Program Impacts on Sanctioning

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
	Ever informed of possibility that welfare grant would be reduced for non-compliance with program requirements (%)			
Atlanta Labor Force Attachment	1890	68.0	44.3	23.6 ***
Atlanta Human Capital Development	2199	68.7	44.3	24.3 ***
Grand Rapids Labor Force Attachment	1158	80.9	56.4	24.5 ***
Grand Rapids Human Capital Development	1158	82.6	56.4	26.2 ***
Riverside Labor Force Attachment	1678	69.7	47.4	22.3 ***
Lacked high school diploma or basic skills	1012	71.1	50.2	20.9 ***
Riverside Human Capital Development	1350	71.7	50.2	21.4 ***
Columbus Integrated	728	68.0	29.6	38.4 ***
Columbus Traditional	723	69.1	29.6	39.5 ***
Detroit	426	57.7	44.3	13.4 ***
Oklahoma City	511	44.5	23.3	21.2 ***
Portland	610	67.3	35.5	31.8 ***
	Ever sanctioned (%)[a]			
Atlanta Labor Force Attachment	1890	10.9	3.7	7.2 ***
Atlanta Human Capital Development	2199	20.7	3.7	17.1 ***
Grand Rapids Labor Force Attachment	1158	32.0	8.5	23.5 ***
Grand Rapids Human Capital Development	1158	30.4	8.5	22.0 ***
Riverside Labor Force Attachment	1678	14.1	4.5	9.6 ***
Lacked high school diploma or basic skills	1012	16.3	4.7	11.6 ***
Riverside Human Capital Development	1350	20.3	4.7	15.6 ***
Columbus Integrated	728	26.1	4.2	21.9 ***
Columbus Traditional	723	30.9	4.2	26.7 ***
Detroit	426	3.4	2.2	1.2
Oklahoma City	511	3.8	2.1	1.7
Portland	610	18.4	4.4	14.0 ***

(continued)

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Table 4.1 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] Sanctioned between date of random assignment and date of survey interview.

cation-focused programs in Detroit and Oklahoma City had their welfare grant lowered for noncompliance. The remaining programs sanctioned between 11 and 21 percent of their program group members.[10]

Some program administrators and staff assert that imposing a sanction or even threatening to reduce recipients' welfare grants for noncompliance can convince them to participate in employment-related activities. As one administrator from Grand Rapids put it, "The message is strong: it is important to attend regularly. . . . The purpose of sanctions is to inflict enough harm so that [clients] will cooperate."[11]

Results for these 11 programs, however, do not show a clear association between a program's level of sanctioning and the percentage of program group members who attended at least one program activity. For instance, Riverside HCD and Portland, in the middle level of programs on frequency of invoking a sanction, recorded the highest levels of participation for program group members among the programs. The association between a program's frequency of sanctioning and its program-control group difference, or impact, on participation is similarly unclear. The Detroit and Oklahoma City low enforcement programs attained only small impacts on participation in any employment-related activity, as did the Grand Rapids LFA program, which sanctioned the largest percentage of program group members. On the other hand, programs with moderately high sanction rates (Portland, Atlanta LFA, and both Riverside programs) attained large gains in participation.

As noted above, program group members who never incurred a sanction could also have changed their employment or welfare behavior in response to their program's enforcement practices. No data are available on how frequently program group members received a warning from program staff that they risked an imminent reduction in their grant for noncompliance; nor is it known how often program group members heard a more general message that staff would use sanctions to enforce program requirements. The Two-Year Client Survey did, however, ask program and control group members if they were *ever* informed by the welfare department that they could incur a sanction. The percentage of program group members who answered affirmatively to this question suggests how many of them felt at least potentially at risk of incurring a sanction.

As shown in Table 4.1, in nine programs at least two-thirds of program group members reported being informed of the possibility of being sanctioned, suggesting that these programs succeeded in communicating to enrollees that the participation requirement was real and could be enforced. Program group respondents in the low enforcement education-focused programs in Detroit and Oklahoma City reported less often that they knew they could be sanctioned.[12]

At least 30 percent of control group members in all sites except Oklahoma City also answered affirmatively to this question. These responses are harder to interpret. Possibly they were describing their interactions with income maintenance staff who handle grant calculations and can delay or reduce grants if recipients miss deadlines for submitting necessary documentation on earnings or other income. Control group members may also have been recalling enforcement messages from IM or NEWWS program staff related to assignment to a program orientation, prior to random assignment. Or they may have been relating what they learned about the enforcement practices from relatives or friends who enrolled in these programs.

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[10] Sanction rates were higher for both programs in Atlanta, Grand Rapids, and Columbus and lower for both programs in Riverside when recorded from case files. The difference is greatest for the Atlanta HCD program: 40.6 percent when recorded from case files, but only 20.7 percent when recorded from survey responses. See Hamilton et al., 1997, pp. 114-16 and 142-44; and Brock and Harknett, 1998, p. 13.

[11] Quoted in Hamilton et al., 1997, pp. 89-90.

[12] Interestingly, about 90 percent of program group members surveyed in five counties for California's GAIN Evaluation answered affirmatively to a similar question. Fewer than 10 percent of program group members incurred a sanction, however. See Riccio, Friedlander, and Freedman, 1994, Tables 2.11 and 2.12 and pp. 59-61.

Irrespective of why control group members reported knowledge of a possible sanction, it may be assumed that at least some of them responded similarly to program group members. That is, some control group members may have become more diligent at reporting earned income to the welfare department, thereby reducing or terminating their welfare grant or, alternatively, may have started working sooner or left welfare sooner than they might have otherwise. For this reason, it is important to estimate the *program-control group difference*, or impact, on this and other questions concerning perceptions of the welfare department (discussed below). Most likely, these differences, and not the levels for program group members, provide the most accurate gauge of the potential effects on employment and welfare receipt of program staff's efforts to enforce a mandatory participation requirement.

As shown in Table 4.1, all programs except Detroit's increased the proportion reporting being informed of a possible sanction for noncompliance by at least 20 percentage points — a large increase, but, again, smaller than suggested by the program group levels alone. Both Columbus programs (which also recorded high levels of sanctioning) attained the largest program-control group difference on being informed about sanctions — nearly 40 percentage points — followed by Portland (moderate level of sanctioning).

Was any self-sufficiency approach more likely to change sample members' views on work and welfare?

Programs had less effect on changing respondents' attitudes about staying on welfare. As shown in the top panel of Table 4.2, between 46.9 percent (Oklahoma City) and 64.8 percent (Atlanta LFA) of program group members strongly disagreed that it is easy to stay on welfare and not try to get off. There was little variation in this measure between employment- and education-focused programs.

Interestingly, about the same proportion of control group members responded similarly. Only two employment-focused and two education-focused programs increased the percentage of sample members who disagreed with the statement. The Riverside HCD program produced the largest program-control group difference: 8.6 percentage points. Possibly the similarities in responses between program and control group members reflect their shared experiences with reporting earnings and child support to information maintenance workers or with trying to make ends meet on welfare and Food Stamp benefits — or perhaps their similar encounters with messages about welfare and work in the media or in conversations with family and friends.

On the other hand, most programs produced small to moderate increases (that is, under 20 percentage points) in the proportion of sample members who strongly agreed that the welfare department tries hard to make people look for a job and also go to school to get training. The Columbus Integrated program (education-focused) increased levels by a larger percentage. Only the Detroit program decreased the proportion who strongly agreed with each of these statements (see Table 4.2).

Did education-focused programs increase the proportion of sample members who attained a GED or trade certificate during the two-year follow-up?

It is important to keep in mind a program's impacts on degree attainment when analyzing its subsequent effects on recipients' labor market and welfare behavior. Sample members who receive a GED or trade certificate may delay entry into the labor market while attending school. Later in the follow-up, however, those attaining new education credentials may have a better chance of finding a job or advancing to higher-paying and more stable employment.

As noted above, most education-focused programs increased participation in basic education among nongraduates. Only three of these programs, however (Grand Rapids and Riverside HCD and Columbus Traditional), increased attainment of a high school diploma or GED certificate for this subgroup. (See Table 4.3.) Impacts on high school diploma or GED certificate receipt ranged from 8 to 11 percentage points, a relatively large increase compared with results from previous evaluations of welfare-to-work programs.[13] Notably, Portland's employment-focused, varied first activity approach achieved similar gains in degree receipt. The other three employment-focused programs had no effect on attainment of a GED. Portland also increased receipt of a trade license or certificate by 12 percentage points for sample members who lacked a high school diploma or GED certificate at random assignment. No other program, education- or employment-focused, produced a statistically significant gain in attainment of a trade license or certificate for this subgroup.

For sample members with a high school diploma or GED at random assignment, the two Atlanta programs and the Grand Rapids HCD program increased receipt of a trade license or certificate. Impacts ranged from 5 percentage points (Atlanta LFA) to 11 percentage points (Atlanta HCD). (See Table 4.4.)

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[13] See Riccio, Friedlander, and Freedman, 1994, Table 2.9, pp. 47-49; and Kemple, Friedlander, and Fellerath, 1995, Table 3.7, p. 62.

Table 4.2
Program Impacts on Attitudes Toward Work and Welfare

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
	Strongly disagree that it's easy just to stay on welfare and not try to get off (%)				
Atlanta Labor Force Attachment	1890	64.8	60.3	4.5 **	7.5
Atlanta Human Capital Development	2199	58.8	60.3	-1.5	-2.5
Grand Rapids Labor Force Attachment	1158	56.0	50.8	5.2 *	10.2
Grand Rapids Human Capital Development	1158	55.9	50.8	5.1 *	10.0
Riverside Labor Force Attachment	1678	48.6	45.9	2.8	6.0
Lacked high school diploma or basic skills	1012	51.6	47.2	4.5	9.5
Riverside Human Capital Development	1350	55.8	47.2	8.6 ***	18.2
Columbus Integrated	728	53.9	52.4	1.5	2.9
Columbus Traditional	723	57.9	52.4	5.5	10.4
Detroit	426	60.4	58.9	1.6	2.7
Oklahoma City	511	46.9	45.1	1.8	4.0
Portland	610	55.0	51.7	3.3	6.4
	Strongly agree that the welfare department tries hard to make people look for a job (%)				
Atlanta Labor Force Attachment	1890	39.5	34.3	5.2 **	15.3
Atlanta Human Capital Development	2199	42.7	34.3	8.4 ***	24.5
Grand Rapids Labor Force Attachment	1158	54.9	43.1	11.8 ***	27.4
Grand Rapids Human Capital Development	1158	52.8	43.1	9.8 ***	22.7
Riverside Labor Force Attachment	1678	46.7	31.7	15.0 ***	47.5
Lacked high school diploma or basic skills	1012	50.4	33.2	17.2 ***	51.7
Riverside Human Capital Development	1350	47.9	33.2	14.6 ***	44.0
Columbus Integrated	728	53.1	29.5	23.7 ***	80.3
Columbus Traditional	723	42.6	29.5	13.1 ***	44.4
Detroit	426	42.8	49.6	-6.9	-13.8
Oklahoma City	511	41.2	32.6	8.6 *	26.3
Portland	610	52.6	40.6	12.0 ***	29.5

(continued)

Table 4.2 (continued)

Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Strongly agree that the welfare department tries hard to make people go to school to get training (%)					
1890	46.2	40.6	5.6 **	13.8	Atlanta Labor Force Attachment
2199	51.2	40.6	10.6 ***	26.2	Atlanta Human Capital Development
1158	60.1	50.1	10.0 ***	19.9	Grand Rapids Labor Force Attachment
1158	64.0	50.1	13.9 ***	27.8	Grand Rapids Human Capital Development
1678	37.1	27.0	10.1 ***	37.2	Riverside Labor Force Attachment
1012	44.0	30.7	13.3 ***	43.2	Lacked high school diploma or basic skills
1350	48.6	30.7	17.9 ***	58.2	Riverside Human Capital Development
728	64.6	38.0	26.6 ***	70.0	Columbus Integrated
723	47.7	38.0	9.6 ***	25.3	Columbus Traditional
426	52.3	54.3	-2.0	-3.7	Detroit
511	47.3	37.1	10.2 **	27.3	Oklahoma City
610	42.9	37.7	5.2	13.8	Portland

SOURCES: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 4.1.
"Percentage change" equals 100 times the "difference" divided by the "control group."

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Table 4.3

Two-Year Impacts on Education or Training Credentials for Sample Members Without a High School Diploma or GED at Random Assignment

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Received a high school diploma or GED (%)			
Atlanta Labor Force Attachment	895	3.6	2.0	1.6	82.6
Atlanta Human Capital Development	1092	3.6	2.0	1.6	80.3
Grand Rapids Labor Force Attachment	453	5.1	6.5	-1.4	-22.0
Grand Rapids Human Capital Development	481	17.7	6.5	11.2 ***	172.0
Riverside Labor Force Attachment	1012	1.5	2.4	-0.9	-38.6
Riverside Human Capital Development	1350	10.6	2.4	8.3 ***	349.3
Columbus Integrated	301	8.8	3.6	5.3	147.0
Columbus Traditional	292	13.1	3.6	9.5 ***	265.4
Detroit	188	15.6	10.4	5.1	49.2
Oklahoma City	234	11.8	8.7	3.0	34.7
Portland	189	15.6	4.8	10.8 **	224.9
		Received a trade license or certificate (%)			
Atlanta Labor Force Attachment	895	2.6	2.0	0.6	30.7
Atlanta Human Capital Development	1092	2.2	2.0	0.2	10.1
Grand Rapids Labor Force Attachment	453	4.0	5.3	-1.3	-24.7
Grand Rapids Human Capital Development	481	8.0	5.3	2.7	51.6
Riverside Labor Force Attachment	1012	5.5	6.6	-1.1	-16.5
Riverside Human Capital Development	1350	4.9	6.6	-1.8	-26.9
Columbus Integrated	301	2.6	4.0	-1.4	-34.9
Columbus Traditional	292	6.3	4.0	2.3	57.1
Detroit	188	15.1	8.0	7.1	89.0
Oklahoma City	234	7.1	5.7	1.4	24.7
Portland	189	15.4	3.1	12.3 **	400.2

SOURCE and NOTES: See Table 4.2.

National Evaluation of Welfare-to-Work Strategies

Table 4.4

Two-Year Impacts on Education or Training Credentials for Sample Members With a High School Diploma or GED at Random Assignment

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
	Received any education or training credentials (%)				
Atlanta Labor Force Attachment	995	11.8	7.6	4.2 **	55.2
Atlanta Human Capital Development	1107	18.2	7.6	10.6 ***	139.9
Grand Rapids Labor Force Attachment	705	11.1	16.7	-5.7 **	-33.8
Grand Rapids Human Capital Development	677	21.2	16.7	4.5	26.7
Riverside Labor Force Attachment	666	12.6	11.3	1.3	11.6
Columbus Integrated	425	9.3	12.6	-3.2	-25.7
Columbus Traditional	430	10.2	12.6	-2.3	-18.6
Detroit	238	13.4	12.6	0.8	6.1
Oklahoma City	267	17.9	16.5	1.4	8.6
Portland	415	14.5	11.4	3.1	26.8
	Received a trade license or certificate (%)				
Atlanta Labor Force Attachment	995	10.6	6.1	4.6 **	75.1
Atlanta Human Capital Development	1107	16.6	6.1	10.5 ***	173.6
Grand Rapids Labor Force Attachment	705	8.8	11.1	-2.3	-20.8
Grand Rapids Human Capital Development	677	17.2	11.1	6.1 **	55.1
Riverside Labor Force Attachment	666	9.0	8.7	0.3	3.8
Columbus Integrated	425	5.7	9.8	-4.1	-41.8
Columbus Traditional	430	7.3	9.8	-2.6	-26.0
Detroit	238	11.6	9.3	2.2	23.9
Oklahoma City	267	14.4	12.6	1.8	14.7
Portland	415	10.4	7.0	3.5	49.7

SOURCE and NOTES: See Table 4.2.

Chapter 5

Impacts on Employment and Earnings

This chapter presents program impacts on employment, earnings, and indicators of employment stability and job quality by time period: for the full two years of follow-up, for the second year, or for the end of the second year. Impacts at the two-year mark are particularly important in light of the new welfare law, which requires states to plan for how they will require recipients to work after two years of assistance. Further, some states place two-year time limits on cash assistance. Finally, results at the end of year 2 suggest future trends. Findings in this chapter are based on data from unemployment insurance (UI) records for the full sample and from the Two-Year Client Survey for a subsample of respondents.

I. Key Questions

- Did the employment- or education-focused approach produce larger employment and earnings gains over two years?
- Did employment-focused programs boost employment levels quickly? If so, did they sustain (or increase) positive results through the end of the follow-up period, thereby hinting at future success, or did employment and earnings gains diminish?
- Did education-focused programs begin to increase employment and earnings impacts by the end of year 2? If so, did gains for education-focused programs match or exceed those for employment-focused programs?
- Did earnings gains for either approach occur simply because more people were working? Or did either approach also increase employment duration and average earnings for those who worked?
- Did either approach increase the percentage of people employed at relatively good jobs, providing full-time employment and health benefits by the end of year 2?

II. Analysis Issues

All 11 programs in the National Evaluation of Welfare-to-Work Strategies sought to increase employment levels and earnings and to help recipients find or advance to full-time jobs that pay above minimum wage and offer health and other benefits. The programs pursued three different strategies to attain these goals. The three employment-focused, job search first programs (Atlanta, Grand Rapids, and Riverside LFA) encouraged rapid entry into the labor market in the hope that recipients would work their way up to better jobs. These programs are expected to boost employment and earnings in the first year of follow-up. Initial employment gains may persist or increase in year 2 if program group members retain their jobs or move quickly to new jobs. Earnings increases may grow larger in year 2 as program group members attain experience and skills on the job. Program group members, especially those who started working early in the follow-up, may begin receiving salary increases or advance to a higher-paying position with their initial employer or at a different job. Alternatively, job search assistance may not help some welfare recipients who face severe barriers to employment. Further, impacts for employment-focused programs often grow smaller over time, as control group members begin finding work on their own, and may disappear entirely if program group members work at low-quality and unstable jobs that they quickly lose.

In contrast, the education-focused programs (Atlanta, Grand Rapids, and Riverside HCD; Columbus Integrated and Traditional; Detroit; and Oklahoma City) aim to increase enrollees' skills and credentials before they seek employment. Employment and earnings gains may be delayed while recipients participate in education and training activities. (For this reason, cumulative effects should be smaller than for employment-focused programs, at least in the short term.) Toward the end of follow-up, however, impacts for education-focused programs may catch up to and even surpass impacts for employment-focused programs, as program group members make up for forgone earnings by obtaining more jobs or higher-quality jobs than control group members. Employment and earnings gains may never occur, however, if enrollees drop out of education and training activities or if area employers have little demand for the skills and credentials that enrollees obtain.

Employment-focused, varied first activity programs (as exemplified by Portland) try to combine the best features of each approach. Consistent with other employment-focused programs, varied first activity programs aim to move most enrollees into jobs relatively quickly. Case managers, however, have more discretion to assign some enrollees to skill-building activities as their first activity, although these activities are short term and aimed at increasing employability. If this strategy is successful, boosts in employment should occur early in the follow-up, as job search participants find employment. (Initial gains may be smaller than for employment-focused, job search first programs because some enrollees participate in education or training activities before looking for work.) These programs could achieve especially large gains in employment and earnings later in the follow-up from moving a large portion of the caseload into higher-quality jobs. Specifically, job search participants who found work quickly are expected to advance to better jobs during year 2, as are education and training participants who more recently entered the labor force. If neither element of the employment-focused, varied first activity approach is effective, however, or if activities are targeted at the wrong persons, employment and earnings should not increase.

For this analysis a *large* impact on employment is defined as a statistically significant program-control group difference in employment levels of 10 percentage points or more; *moderate* impacts fall within the 5 to 10 percentage point range and *small* impacts below 5 percentage points. *Large* earnings gains are considered to be in excess of $900 per year, or $1,800 over two years. *Moderate* increases average between $300 and $900 per year, and *small* impacts average less than $300 per year. These benchmarks are based on ranges of impact findings from previous experimental evaluations of welfare-to-work programs.

III. Key Findings

- As expected, employment-focused programs produced the largest gains in employment and earnings over two years. Only Portland's employment-focused, varied first activity approach increased earnings by a large amount, averaging more than $900 per year above control group levels. Several education-focused programs generated more moderate gains over two years. Oklahoma City, one of the two low enforcement education-focused programs, had no effects.
- Several programs, both education- and employment-focused, increased earnings by about $400 to $700 in year 2. Except for Portland, positive results for employment-focused programs grew smaller toward the end of year 2, whereas impacts for several education-focused programs grew larger.
- At the two-year mark Portland continued to produce the largest employment and earnings gains of any type of program. By then, some education-focused programs were producing larger increases than those attained by the three LFA, or job search first, programs.
- For all four employment-focused programs increases in job finding account for the great bulk of the increase in earnings over two-years, as expected. Two employment-focused programs, Riverside LFA and Portland, helped welfare recipients move to jobs providing full-time work with health benefits by the end of year 2, however.
- Contrary to expectations, for most education-focused programs two-year earnings gains are due in large part to increased job finding. Only the two Columbus programs raised earnings mostly by increasing employment duration and average earnings on the job. Several education-focused programs increased one or more, but not all, measured aspects of job quality — average weekly hours, working full time, average hourly wages, access to health insurance — at the end of two years.

IV. Impacts Over Two Years

This section presents program effects on employment and average earnings over two years and compares these impacts with impacts for previously evaluated welfare-to-work programs. It also examines the causes of the factors involved in earnings gains — increased job finding, more quarters of employment for those employed, and higher quarterly earnings for those employed — and how much each contributed to program impacts. All measures presented in this section are estimated from UI earnings data.

Did employment-focused programs raise employment levels more than education-focused programs?

As shown in Table 5.1, between 45 percent (Riverside) and 72 percent (Columbus) of control group members worked for pay at some point during the two-year follow-up. Employment-focused programs produced more consistent gains in job finding: All four programs increased the percentage ever employed over control group levels. In contrast, three of seven education-focused programs did not increase employment over two years (Columbus Integrated and Traditional and Oklahoma City), and two others produced only small gains. Among employment-focused programs, however, only Riverside LFA and Portland boosted employment levels by more than 10 percentage points — the threshold for a "large" increase. The other two employment-focused programs, however, achieved moderate or small gains that fell short of the impacts of some education-focused programs, particularly Riverside HCD (9.3 percentage points).

Another way to analyze program effects on employment is to estimate how much each program reduced joblessness. Once again, employment-focused programs produced the most consistent effects over two years. About 1 in 4 jobless control group members would have found employment with the help of the Grand Rapids LFA, Riverside LFA, or Portland program.[1] For the other five programs with impacts on employment, the proportion ranged from about 1 in 6 (Grand Rapids HCD) to 1 in 14 (Atlanta HCD).

Did employment-focused programs raise average earnings more than education-focused programs?

As expected, two-year earnings impacts for the employment-focused programs exceeded impacts for the education-focused programs. Portland's varied first activity program increased earnings more than any other program in the NEWWS Evaluation.

Over two years control group members earned between $3,514 (Oklahoma City) and $6,892 (Columbus) on average. (See Table 5.1.) A variety of factors, such as the cost of living, the local labor market, and the caseload's level of advantage, contributed to these differences.

Only Portland produced a *large* gain ($1,842). The three LFA programs boosted earnings by *moderate* amounts (between $813 and $1,276). Most education-focused programs (except the Columbus programs, which had moderate gains) generated *small* increases of less than $600 over two years. Program group members in Oklahoma City did not earn more on average than control group members over two years.

How do two-year employment and earnings gains compare with those of previously evaluated welfare to-work programs?[2]

San Diego SWIM, Riverside GAIN, and the Minnesota Family Investment Program (MFIP) attained the greatest success in raising two-year employment levels among mandatory

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[1] Among controls who remained jobless over the two-year follow-up period, the proportion who would have become employed with the help of a program is estimated by first subtracting the percentage of program group members who remained without employment from the percentage of jobless control group members. This difference is divided by the percentage of jobless control group members. In Portland, for example, 27.9 percent of program group members (100 percent - 72.1 percent) and 39.1 percent of control group members (100 percent - 60.9 percent) did not work for pay during the two-year follow-up. The difference between these two numbers, 11.2 percent, divided by 39.1 percent equals 28.6 percent, which is a little more than 1 in 4.

[2] See Riccio, Friedlander, and Freedman, 1994; Friedlander and Burtless, 1995; and Miller, 1997.

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Table 5.1

Program Impacts on Employment and Earnings in Years 1 and 2

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Ever employed in year 1or 2 (%)					
Atlanta Labor Force Attachment	3833	66.1	61.6	4.5 ***	7.3
Atlanta Human Capital Development	3881	64.4	61.6	2.8 **	4.6
Grand Rapids Labor Force Attachment	3012	77.7	70.1	7.6 ***	10.9
Grand Rapids Human Capital Development	2997	75.4	70.1	5.3 ***	7.6
Riverside Labor Force Attachment	6726	60.2	45.0	15.1 ***	33.5
Lacked high school diploma or basic skills	3125	55.5	38.9	16.6 ***	42.7
Riverside Human Capital Development	3135	48.2	38.9	9.3 ***	23.9
Columbus Integrated	4672	73.9	72.2	1.7	2.3
Columbus Traditional	4729	73.5	72.2	1.3	1.7
Detroit	4459	62.3	58.2	4.1 ***	7.0
Oklahoma City	8677	64.1	65.0	-0.9	-1.4
Portland	5547	72.1	60.9	11.2 ***	18.4
Average total earnings in years 1 and 2 ($)					
Atlanta Labor Force Attachment	3833	5820	5006	813 ***	16.2
Atlanta Human Capital Development	3881	5502	5006	496 **	9.9
Grand Rapids Labor Force Attachment	3012	5674	4639	1035 ***	22.3
Grand Rapids Human Capital Development	2997	5219	4639	580 **	12.5
Riverside Labor Force Attachment	6726	5488	4213	1276 ***	30.3
Lacked high school diploma or basic skills	3125	4124	3133	992 ***	31.7
Riverside Human Capital Development	3135	3450	3133	317	10.1
Columbus Integrated	4672	7565	6892	673 **	9.8
Columbus Traditional	4729	7569	6892	677 ***	9.8
Detroit	4459	4369	4001	367 *	9.2
Oklahoma City	8677	3518	3514	5	0.1
Portland	5547	7133	5291	1842 ***	34.8

(continued)

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Table 5.1 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
Average number of quarters employed for those employed in year 1 or 2				
4.59	*4.43*	*0.16*	*3.5*	Atlanta Labor Force Attachment
4.54	*4.43*	*0.10*	*2.3*	Atlanta Human Capital Development
4.37	*4.03*	*0.34*	*8.5*	Grand Rapids Labor Force Attachment
4.13	*4.03*	*0.10*	*2.5*	Grand Rapids Human Capital Development
4.33	*4.22*	*0.11*	*2.7*	Riverside Labor Force Attachment
4.07	*4.01*	*0.06*	*1.4*	Lacked high school diploma or basic skills
3.77	*4.01*	*-0.25*	*-6.2*	Riverside Human Capital Development
4.88	*4.76*	*0.12*	*2.6*	Columbus Integrated
4.91	*4.76*	*0.15*	*3.2*	Columbus Traditional
3.71	*3.78*	*-0.07*	*-1.9*	Detroit
3.66	*3.72*	*-0.07*	*-1.8*	Oklahoma City
4.63	*4.28*	*0.36*	*8.3*	Portland
Average earnings per quarter employed in years 1 and 2 ($)				
1919	*1834*	*85*	*4.6*	Atlanta Labor Force Attachment
1884	*1834*	*50*	*2.8*	Atlanta Human Capital Development
1671	*1643*	*28*	*1.7*	Grand Rapids Labor Force Attachment
1678	*1643*	*34*	*2.1*	Grand Rapids Human Capital Development
2105	*2215*	*-110*	*-5.0*	Riverside Labor Force Attachment
1826	*2006*	*-181*	*-9.0*	Lacked high school diploma or basic skills
1900	*2006*	*-107*	*-5.3*	Riverside Human Capital Development
2098	*2006*	*92*	*4.6*	Columbus Integrated
2099	*2006*	*93*	*4.6*	Columbus Traditional
1893	*1820*	*73*	*4.0*	Detroit
1501	*1452*	*49*	*3.3*	Oklahoma City
2136	*2032*	*104*	*5.1*	Portland

(continued)

Table 5.1 (continued)

SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Differences between program group members and control group members (shown in italics) for "Average number of quarters employed for those employed in years 1 and 2" and "Average earnings per quarter employed in years 1 and 2" are not true experimental comparisons; statistical tests were not performed.

welfare-to-work programs evaluated experimentally. Riverside LFA and Portland were the only programs in this evaluation to achieve a comparable employment gain.

Two-year earnings gains for three employment-focused NEWWS Evaluation programs (Portland and Grand Rapids and Riverside LFA) can be counted among the largest ever found; however, none of these programs increased earnings more than Riverside GAIN (although Portland came close).[3]

What contributed most to earnings impacts for employment- and education-focused programs?

Earnings impacts can result from more job finding (represented by the two-year employment impact), longer employment duration (represented by the average number of quarters employed for those employed), and higher earnings on the job (represented by average earnings per quarter employed).[4] For employment-focused programs more job finding is expected to contribute a major portion of the earnings impact, whereas for education-focused programs this effect should play less of a role than higher earnings on the job. Figure 5.1 shows the relative contribution of each effect. Note that program group members could have experienced an increase in employment duration because they found jobs earlier in the follow-up (and hence worked more observed quarters) than control group members rather than because they obtained longer-lasting jobs. Also, higher earnings on the job could have resulted from more hours worked per quarter rather than higher hourly wages.[5]

As expected, increases in job finding account for the largest portion — from 45 percent (Atlanta LFA) to 111 percent (Riverside LFA) — of the two-year earnings impact among employment-focused programs (see Figure 5.1).[6] To a lesser extent, these programs also lengthened average employment duration (among employed sample members) and, except for Riverside LFA, increased average earnings on the job by modest amounts.

Contrary to expectations, most education-focused programs also raised earnings primarily by getting more program group members than control group members into jobs. The two Columbus programs were the only exceptions: their earnings gains resulted mainly from higher earnings on the job. In other words, they raised average total earnings by enabling program group members who would have been employed anyway to obtain better jobs.

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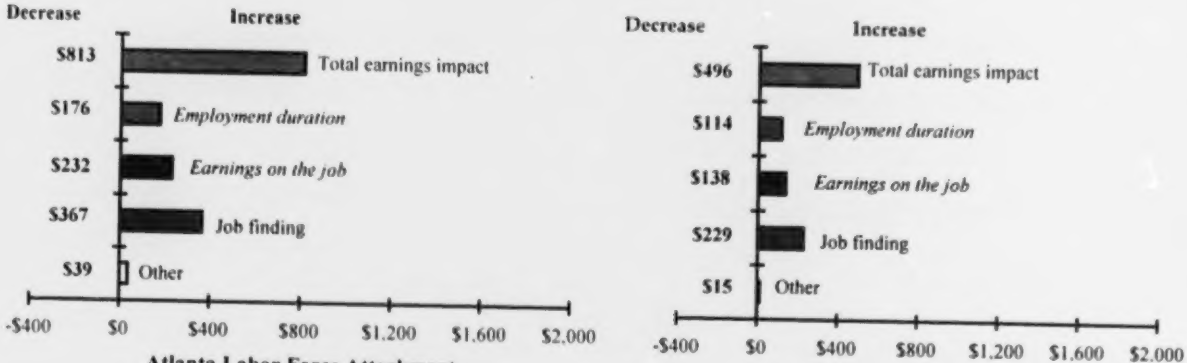
[3] As indicated in Riccio, Friedlander, and Freedman, 1994, Riverside GAIN boosted two-year earnings by $2,103. Because of inflation, however, a dollar increase for Riverside GAIN has a higher value than a dollar increase for the NEWWS Evaluation programs. Consequently, their earnings gains cannot be directly compared with total precision.

[4] This decomposition is approximate, because it does not consider interactions among the three components.

[5] Measures of employment duration and earnings on the job are nonexperimental because they include only sample members who were employed during the two-year follow-up. Employed program group members may differ from employed control group members in both observed and unobservable pre-random assignment characteristics. Consequently, statistical significance tests were not performed.

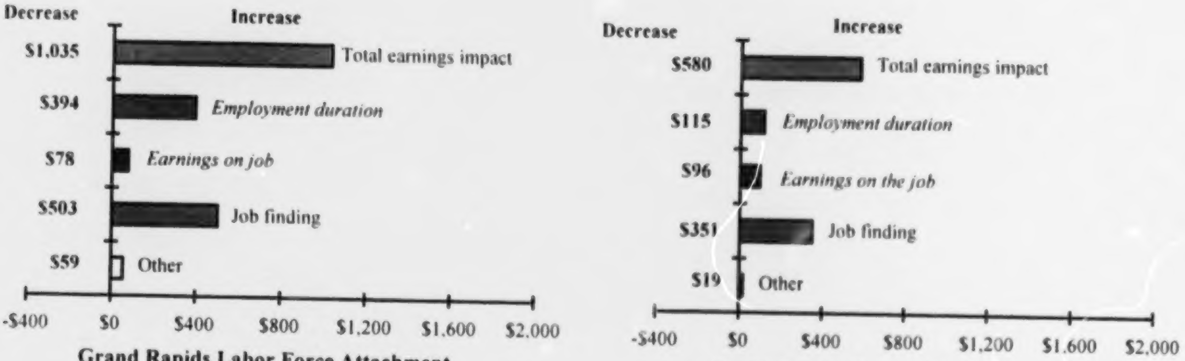
[6] For Riverside LFAs and HCDs the relative contribution of job finding exceeded 100 percent because these programs had negative effects on other factors.

Figure 5.1
Relative Contributions of Employment Duration, Earnings on the Job, and Job-Finding to the Two-Year Earnings Impact



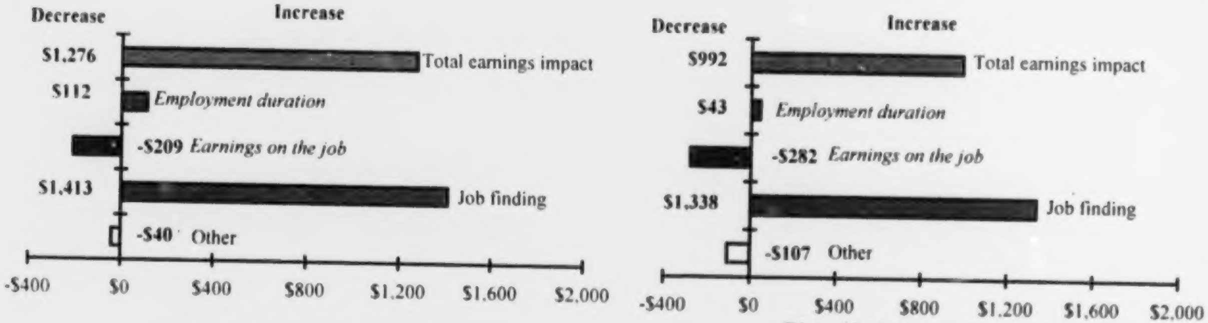
Atlanta Labor Force Attachment

Atlanta Human Capital Development



Grand Rapids Labor Force Attachment

Grand Rapids Human Capital Development

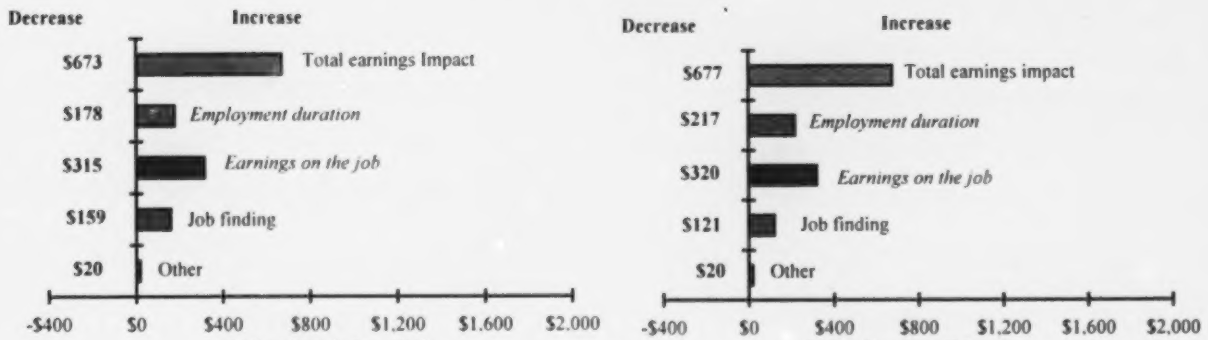


Riverside Labor Force Attachment

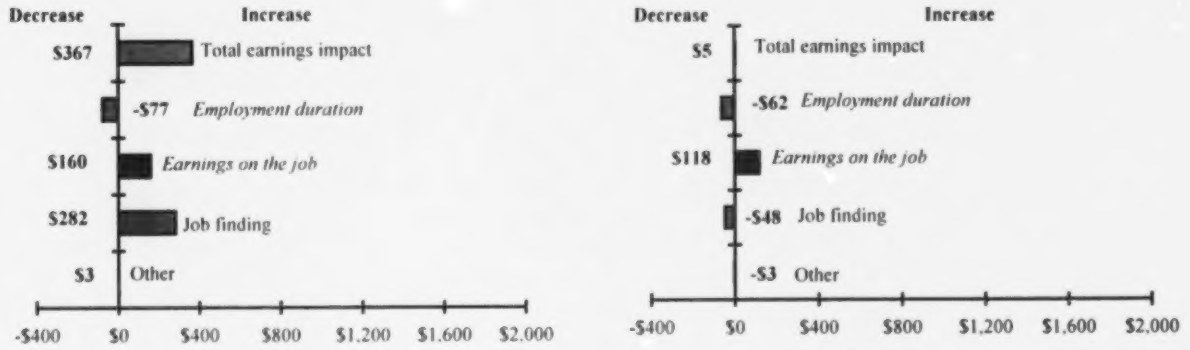
Riverside Labor Force Attachment
Lacked high school diploma or basics skills

(continued)

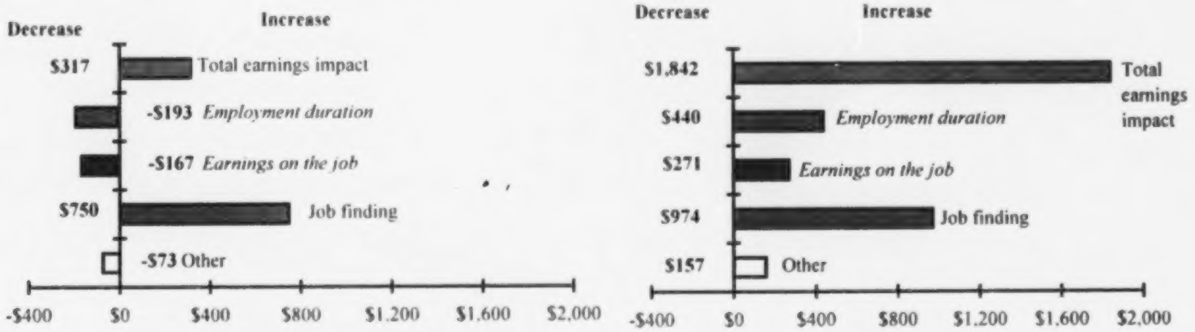
Figure 5.1 (continued)



Columbus Integrated **Columbus Traditional**



Detroit **Oklahoma City**



Riverside Human Capital Development **Portland**

SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

NOTES: Relative contributions were determined by dividing the percentage change in each contributing factor by the percentage change in total earnings. The resulting percentage contribution was then multiplied by the total earnings impact and, in this manner, converted into a dollar value. The "Other" category represents interactions among the other three contributing factors.

Program-control differences in "Employment duration" and "Earnings on the job" (converted here into relative contributions to the total earnings impact) are not true experimental differences.

Dollar values of each contributing factor may not sum to the total earnings impact because of rounding.

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V. Impacts in Year 2

This section examines whether employment and earnings gains increased, decreased, or remained the same over time and presents program effects on four measures of employment stability: the percentage of those employed at any point in the follow-up who also worked in the last quarter of year 2, the percentage earning $10,000 or more in year 2, the percentage employed in all four *quarters* of year 2, and the percentage employed *full time* in all 12 *months* of year 2.[7] Finally, the discussion moves to monthly impacts on job quality as measured by the percentage working full time in jobs that provided health benefits. To provide context for this discussion, monthly impacts on employment in any job are also included. Some of the measures presented in this section are estimated from UI earnings data and others are based on survey responses.

Were initial impacts for employment-focused programs sustained in the second year of follow-up?

As expected, all four employment-focused programs increased employment and earnings in year 1, but gains for Atlanta LFAs were small (cumulative year 1 impacts are not shown in tables). Among employment-focused programs, the proportion of program group members who worked for pay in year 2 ranged from 45 percent in Riverside to 67 percent in Grand Rapids. (See Table 5.2.) The three LFA programs attained moderate employment and earnings gains in year 2. They boosted employment rates by 4.6 percentage points (Atlanta) to 8.4 percentage points (Riverside) and increased average year 2 earnings by $468 (Atlanta) to $556 (Riverside).

In the second year of follow-up impacts for these programs did not follow a particular trend. Initial gains of Grand Rapids and Riverside LFAs declined in year 2 as control group members found jobs on their own. Year 2 results were more positive for the Atlanta LFA program: impacts on employment were sustained and earnings gains were slightly higher. Quarterly trends for Atlanta, however, suggest that earnings gains may have peaked early in year 2 and then declined somewhat. See Figure 5.2 for a depiction of earnings impacts over time.

Unlike the LFA programs, Portland sustained large employment gains (above 10 percentage points) during each of the first two years of follow-up. Moreover, earnings impacts in Portland increased considerably in year 2. In fact, year 2 impacts (13 percentage points in employment and $1,192 in earnings) exceeded those of all other programs by a wide margin. It should also be noted that these results — initial employment gains, large and growing earnings gains — follow the pattern expected of employment-focused, varied first activity programs.

Did employment and earnings impacts for education-focused programs increase in year 2?

Only two education-focused programs (Grand Rapids and Riverside HCD) produced first-year employment impacts, but they were small (not shown in tables).[8] Consistent with expectations, impacts for most education-focused programs either increased or first appeared in year 2. (See Figure 5.2.)

As shown in Table 5.2, about one-half to two-thirds of control group members in sites with education-focused programs worked for pay during the second year of follow-up. Average control group earnings in year 2 ranged from $2,127 (Oklahoma City) to $3,978 (Columbus).

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[7] Stable employment does not necessarily mean employment in the same job.

[8] The Grand Rapids HCD program increased only employment, and not earnings, in year 1.

In Atlanta HCD-control employment and earnings differences first achieved statistical significance in year 2 (with a 4.2 percentage point employment gain and a $388 earnings increase). For Grand Rapids HCDs the employment gain remained about the same (4.8 percentage points), but the earnings difference ($470) grew to statistical significance. For both Columbus programs and Detroit employment and earnings gains increased noticeably in year 2.[9]

Two programs did not follow the expected pattern for education-focused strategies. The Riverside HCD employment gain decreased slightly in year 2 (to 5.8 percentage points), and the program-control difference in average earnings lost statistical significance. Oklahoma City still had no employment or earnings impacts in the second year of follow-up.

Did impacts for education-focused programs converge with impacts for employment-focused programs in year 2?

For some education-focused programs employment and earnings gains were similar in year 2 to those attained by the three LFA programs. No program came close to the year 2 increases achieved by Portland.

As shown in Table 5.2, employment impacts for the three HCD programs (4.2 to 5.8 percentage points) were comparable to those for Atlanta and Grand Rapids LFA (4.6 and 6.3 percentage points, respectively). Both Columbus programs and Grand Rapids HCD raised earnings about as much as the three LFA programs.

Did either program approach increase the ability of welfare recipients to obtain stable employment in year 2?

All employment-focused programs and most education-focused programs produced positive effects on some measures of employment stability. Outcomes for all programs suggest, however, that stable employment, especially in full-time jobs, remained relatively uncommon.

One measure of employment stability is the percentage of those employed at any point during the follow-up period who also worked in the last quarter of year 2. According to this measure, both program and control group members experienced a substantial amount of job loss. For control group members across all seven sites the median two-year employment rate — which occurred in Atlanta — was 61.6 percent (see Table 5.1). In quarter 9, however, just 38.5 percent of Atlanta control group members worked for pay (see Table 5.2). Therefore, only 62.5 percent of those who worked at any point during follow-up could retain their employment through the end of follow-up (38.5 ÷ 61.6). Similarly, 66.1 percent of Atlanta LFAs (representing the median of all 11 programs) were employed at some point during the study period, but only 42.8 percent had a job at the end of follow-up. Therefore, just 64.8 percent of Atlanta LFAs who worked had relatively stable employment. This proportion is slightly higher than that for employed Atlanta control group members. As the comparison is nonexperimental, however, a statistical significance test was not performed.[10]

Employment stability can also be measured by the percentage of recipients earning $10,000 or more in year 2. Sample members in this category probably worked for a substantial part of the year. Also, this level of earnings, as opposed to a lesser amount, would have provided

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[9] The Columbus Traditional program's impact on employment in year 2 fell short of statistical significance.

[10] See footnote 5 for an explanation of nonexperimental measures.

National Evaluation of Welfare-to-Work Strategies

Table 5.2
Program Impacts on Employment and Earnings in Year 2

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			Ever employed in year 2 (%)		
Atlanta Labor Force Attachment	3833	57.3	52.7	4.6 ***	8.7
Atlanta Human Capital Development	3881	56.9	52.7	4.2 ***	7.9
Grand Rapids Labor Force Attachment	3012	66.9	60.6	6.3 ***	10.4
Grand Rapids Human Capital Development	2997	65.4	60.6	4.8 ***	7.9
Riverside Labor Force Attachment	6726	45.3	36.9	8.4 ***	22.7
Lacked high school diploma or basic skills	3125	40.9	31.8	9.1 ***	28.6
Riverside Human Capital Development	3135	37.5	31.8	5.8 ***	18.2
Columbus Integrated	4672	65.2	62.9	2.4 *	3.7
Columbus Traditional	4729	64.5	62.9	1.6	2.6
Detroit	4459	54.2	51.5	2.6 *	5.1
Oklahoma City	8677	50.9	51.6	-0.7	-1.4
Portland	5547	62.0	49.4	12.6 ***	25.4
			Employed in last quarter of year 2 (%)		
Atlanta Labor Force Attachment	3833	42.8	38.5	4.4 ***	11.4
Atlanta Human Capital Development	3881	44.6	38.5	6.1 ***	15.8
Grand Rapids Labor Force Attachment	3012	47.2	43.1	4.1 **	9.5
Grand Rapids Human Capital Development	2997	47.1	43.1	3.9 **	9.1
Riverside Labor Force Attachment	6726	31.3	27.1	4.2 ***	15.5
Lacked high school diploma or basic skills	3125	26.3	23.1	3.2 **	14.1
Riverside Human Capital Development	3135	25.0	23.1	1.9	8.2
Columbus Integrated	4672	51.7	46.7	5.0 ***	10.8
Columbus Traditional	4729	50.2	46.7	3.5 **	7.5
Detroit	4459	38.6	35.5	3.1 **	8.7
Oklahoma City	8677	33.2	34.3	-1.1	-3.2
Portland	5547	46.2	35.3	10.9 ***	30.8

(continued)

Table 5.2 (continued)

Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Average total earnings in year 2 ($)				
3493	3026	468 ***	15.5	Atlanta Labor Force Attachment
3414	3026	388 **	12.8	Atlanta Human Capital Development
3385	2881	504 ***	17.5	Grand Rapids Labor Force Attachment
3351	2881	470 ***	16.3	Grand Rapids Human Capital Development
3028	2472	556 ***	22.5	Riverside Labor Force Attachment
2258	1883	375 **	19.9	Lacked high school diploma or basic skills
2004	1883	121	6.4	Riverside Human Capital Development
4571	3978	592 ***	14.9	Columbus Integrated
4470	3978	492 ***	12.4	Columbus Traditional
2971	2660	311 **	11.7	Detroit
2117	2127	-10	-0.4	Oklahoma City
4374	3183	1192 ***	37.4	Portland
Average total earnings in last quarter of year 2 ($)				
932	824	108 **	13.1	Atlanta Labor Force Attachment
947	824	123 ***	14.9	Atlanta Human Capital Development
963	867	96 *	11.1	Grand Rapids Labor Force Attachment
973	867	106 **	12.2	Grand Rapids Human Capital Development
777	670	108 ***	16.1	Riverside Labor Force Attachment
568	518	50	9.6	Lacked high school diploma or basic skills
520	518	2	0.3	Riverside Human Capital Development
1251	1073	179 ***	16.7	Columbus Integrated
1225	1073	153 ***	14.2	Columbus Traditional
879	785	93 *	11.9	Detroit
613	613	0	0.1	Oklahoma City
1155	845	310 ***	36.8	Portland

SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

National Evaluation of Welfare-to-Work Strategies

Figure 5.2
Quarterly Impacts on Earnings by Site and Program

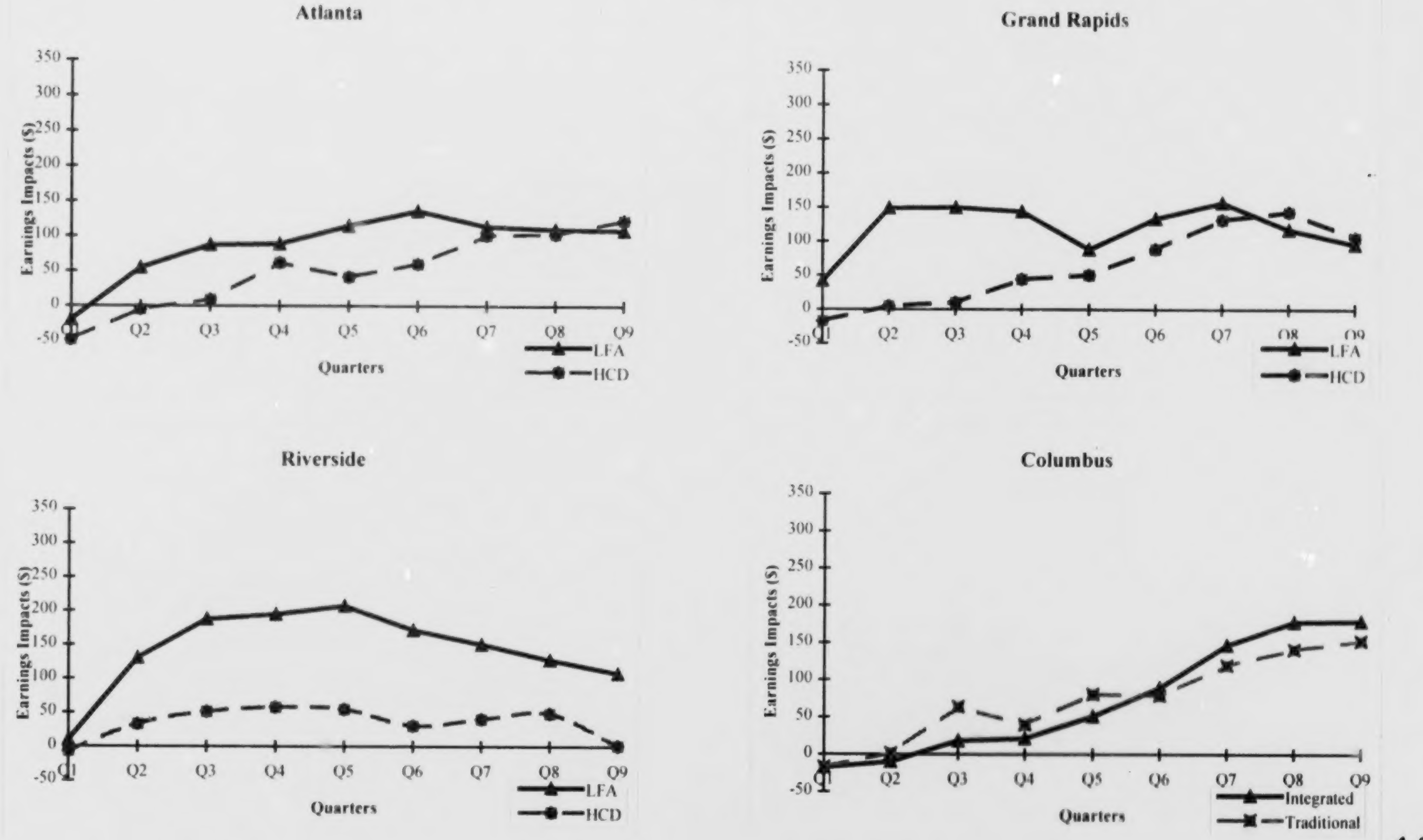

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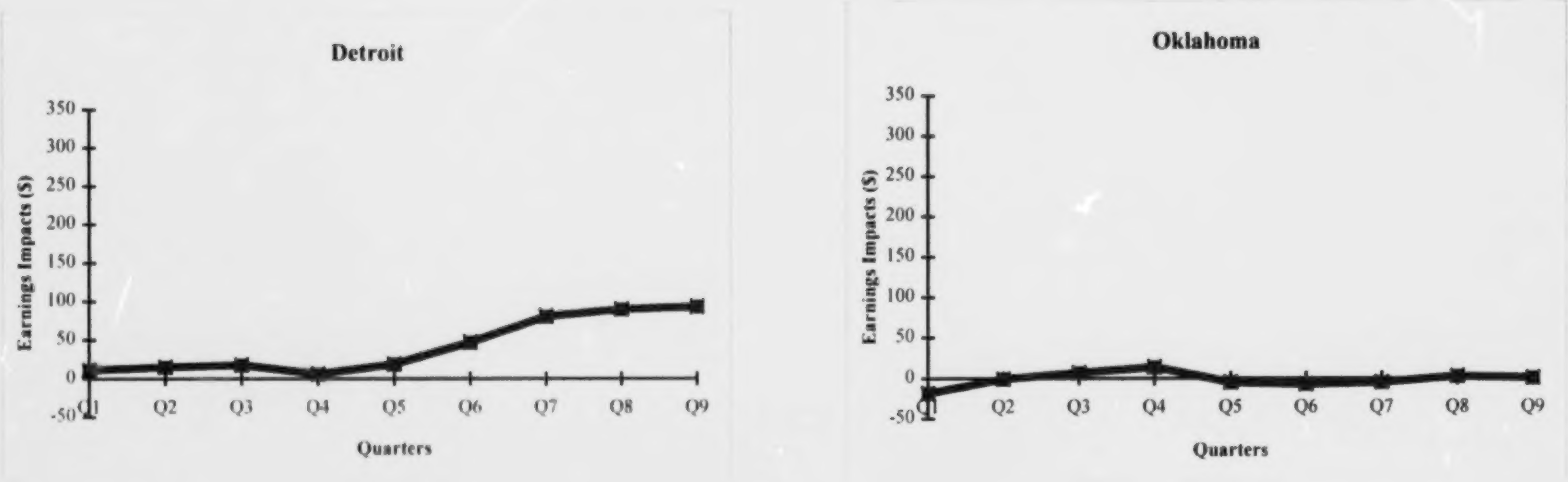
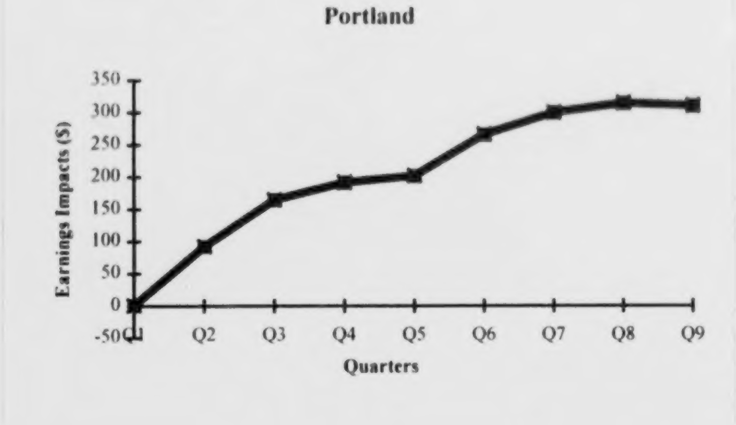
Figure 5.2 (continued)



Detroit

Oklahoma



Portland

SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

NOTES: The quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some earnings from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, and "year 2" is quarters 6 through 9.

greater incentive for job retention. As shown in Table 5.3, a small proportion of control group members across all sites earned $10,000 or more in year 2: between 4.8 percent (Oklahoma City) and 15.1 percent (Columbus). (These percentages include zeros for those not employed in year 2.) Portland produced the largest impact of any program on the percentage earning $10,000 or more: 5.7 percentage points. All other programs increased levels only slightly or had no effect.

The percentage of recipients employed in all four quarters of year 2 is yet another estimate of employment stability. As shown in Table 5.3, between 12.3 percent (Oklahoma City) and 27.9 percent (Columbus) of control group members fell into this category. Once again, Portland attained the largest effect on this measure of employment stability, a gain of 7.9 percentage points. Seven other programs increased employment during all four quarters by about 2 to 4 percentage points. One low enforcement program, Oklahoma City, slightly decreased employment stability, by 1.4 percentage points. Across all 11 programs, no more than half of those ever employed in year 2 worked in all four quarters (see panel B of Table 5.3). In other words, most employed program group members did not work continuously.

The definition of stable employment can be further restricted to *full-time* employment in all 12 *months* of year 2. (This measure can be estimated only from survey responses.) According to survey data, between 10.1 percent (Riverside) and 18.8 percent (Grand Rapids) of control group respondents met this definition. (See Table 5.4.) Only the Riverside LFA program increased the percentage of recipients with full-time employment in all months of year 2.

How did each program approach affect the likelihood of respondents' holding a good job in the second year of follow-up?

For each month of follow-up Figure 5.3 shows the proportion of program and control group respondents who were employed in *any* job and the proportion who were employed in a *good* job, defined as a full-time job that provides health insurance. Only two employment-focused programs (Riverside LFA and Portland) and one education-focused program (Riverside HCD) increased the percentage of welfare recipients employed in a good job during any month of year 2. Portland produced the largest monthly impacts on this measure. Patterns over time suggest that two education-focused programs (Columbus Integrated and Detroit) may increase the percentage with a good job in the future.

In all sites but Portland the percentage of control group respondents who were employed in any job grew steadily throughout the follow-up period. At the beginning of year 2 between 27 percent (Detroit) and 40 percent (Grand Rapids) of control group respondents worked for pay. At the end of two years between 35 percent (Riverside LFA and Portland) and 52 percent (Grand Rapids) had a job. Control group respondents in Portland experienced a slight drop in employment at the end of two years.

A lot fewer control group respondents had a good job than were employed in any type of job. Trends over time for these two measures were similar, however: the proportion of control group respondents with a good job gradually increased over the follow-up period. In the beginning of the second year between 5.8 percent (Riverside) and 14.9 percent (Grand Rapids) of control group respondents had a good job. At the end of two years the proportions increased to between 8.2 percent (Riverside) and 20.5 percent (Grand Rapids). Control group outcomes in most sites either leveled off or decreased slightly toward the end of follow-up, suggesting that there is a limit to how many welfare recipients can find (or keep) a good job on their own.

Impacts of the Riverside LFA program on the percentage with a good job were small but stable, fluctuating between 4 and 6 percentage points in each month of year 2. Unlike overall employment gains, they did not decline toward the end of follow-up.[11] Portland and Riverside HCD gains in good employment increased during year 2 to 3.3 and 8.1 percentage points, respectively, at the end of follow-up. Columbus Integrated and Detroit also produced larger increases at the end of two years than early in year 2 (as they did in overall employment); however, these increases were not statistically significant.

VI. Impacts at the End of Year 2

This section presents program impacts on employment and earnings in the last quarter of year 2 (quarter 9) according to UI data, predicts how programs will fare in the third year of follow-up based on these quarter 9 results, and discusses impacts on the survey-based measure of employment in the last month of follow-up. The remainder of the section examines four survey-based measures of job quality in the last month of year 2: the percentage employed full time (at least 30 hours per week), the percentage with employer-provided health insurance, average hourly pay, and average weekly pay.

Did employment and earnings gains of education-focused programs catch up to those of employment-focused programs in the last quarter of year 2?

In the last quarter of year 2 the earnings and employment gains for most education-focused programs either came close to or surpassed gains for the three LFA programs. Portland's impacts still far exceeded impacts for all other NEWWS Evaluation programs.

Between 27.1 percent (Riverside) and 46.7 percent (Columbus) of control group members had a job in quarter 9, and average earnings for control group members ranged from $613 (Oklahoma City) to $1,073 (Columbus). (See Table 5.2.) All but Riverside HCD and Oklahoma City increased these levels. Gains for each of the three LFA programs were about 4 percentage points and $100. Portland raised employment by 11 percentage points and earnings by $310. Impacts for education-focused programs ranged from 3 to 6 percentage points and from $93 to $179.

What do results in the last quarter of year 2 indicate about how each approach will fare in year 3?

All three LFA programs were still producing statistically significant employment and earnings gains in quarter 9, suggesting that impacts should continue into year 3. However, impacts for Grand Rapids and Riverside LFAs were declining toward the end of follow-up and may grow smaller in year 3. In Atlanta, on the other hand, impacts for LFAs leveled off at about $100 per quarter during year 2 and may continue at moderate levels in year 3.

Only Portland's employment-focused program produced large quarter 9 gains: the employment increase of 10.8 percentage points remained near the program's quarterly peak, and

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[11] For Riverside LFAs the decline in impacts on any employment stemmed from control group "catch-up," which happens when control group members find jobs at a faster rate than program group members, after the latter's initial boost in employment.

Table 5.3
Program Impacts on Employment Stability and Earning $10,000 or More in Year 2

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
A. For All Sample Members					
Employed in all four quarters (%)					
Atlanta Labor Force Attachment	3833	26.9	23.2	3.7 ***	16.1
Atlanta Human Capital Development	3881	26.2	23.2	3.1 **	13.2
Grand Rapids Labor Force Attachment	3012	21.6	18.5	3.2 **	17.1
Grand Rapids Human Capital Development	2997	20.8	18.5	2.3	12.5
Riverside Labor Force Attachment	6726	18.9	15.2	3.7 ***	24.6
Lacked high school diploma or basic skills	3125	15.1	11.8	3.2 ***	27.3
Riverside Human Capital Development	3135	13.3	11.8	1.5	12.5
Columbus Integrated	4672	32.2	27.9	4.2 ***	15.2
Columbus Traditional	4729	31.9	27.9	4.0 ***	14.4
Detroit	4459	17.1	15.0	2.1 **	14.1
Oklahoma City	8677	10.8	12.3	-1.4 **	-11.6
Portland	5547	28.7	20.9	7.9 ***	37.7
Earned $10,000 or more (%)					
Atlanta Labor Force Attachment	3833	12.8	11.0	1.8 *	16.3
Atlanta Human Capital Development	3881	11.9	11.0	0.9	8.4
Grand Rapids Labor Force Attachment	3012	10.4	8.6	1.7 *	20.0
Grand Rapids Human Capital Development	2997	10.4	8.6	1.8 *	20.3
Riverside Labor Force Attachment	6726	11.0	9.3	1.8 **	19.2
Lacked high school diploma or basic skills	3125	7.3	6.5	0.9	13.7
Riverside Human Capital Development	3135	7.0	6.5	0.5	7.7
Columbus Integrated	4672	18.1	15.1	3.0 ***	20.1
Columbus Traditional	4729	17.7	15.1	2.6 **	17.0
Detroit	4459	10.2	8.3	1.9 **	23.3
Oklahoma City	8677	5.3	4.8	0.5	10.2
Portland	5547	18.1	12.4	5.7 ***	46.2

(continued)

Table 5.3 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. Among Those Employed in Year 2				
				Employed in all four quarters (%)
47.0	*44.0*	*3.0*	*6.8*	Atlanta Labor Force Attachment
46.1	*44.0*	*2.2*	*4.9*	Atlanta Human Capital Development
32.3	*30.5*	*1.9*	*6.1*	Grand Rapids Labor Force Attachment
31.8	*30.5*	*1.3*	*4.3*	Grand Rapids Human Capital Development
41.8	*41.1*	*0.7*	*1.6*	Riverside Labor Force Attachment
36.8	*37.2*	*-0.4*	*-1.0*	Lacked high school diploma or basic skills
35.4	*37.2*	*-1.8*	*-4.8*	Riverside Human Capital Development
49.3	*44.4*	*4.9*	*11.0*	Columbus Integrated
49.5	*44.4*	*5.1*	*11.5*	Columbus Traditional
31.6	*29.1*	*2.5*	*8.5*	Detroit
21.3	*23.7*	*-2.5*	*-10.3*	Oklahoma City
46.4	*42.2*	*4.1*	*9.8*	Portland
				Earned $10,000 or more (%)
22.3	*20.8*	*1.5*	*7.0*	Atlanta Labor Force Attachment
20.9	*20.8*	*0.1*	*0.4*	Atlanta Human Capital Development
15.5	*14.3*	*1.2*	*8.7*	Grand Rapids Labor Force Attachment
15.9	*14.3*	*1.6*	*11.5*	Grand Rapids Human Capital Development
24.4	*25.1*	*-0.7*	*-2.8*	Riverside Labor Force Attachment
18.0	*20.3*	*-2.3*	*-11.5*	Lacked high school diploma or basic skills
18.5	*20.3*	*-1.8*	*-8.9*	Riverside Human Capital Development
27.8	*24.0*	*3.8*	*15.7*	Columbus Integrated
27.4	*24.0*	*3.4*	*14.0*	Columbus Traditional
18.8	*16.1*	*2.8*	*17.3*	Detroit
10.4	*9.3*	*1.1*	*11.7*	Oklahoma City
29.2	*25.1*	*4.1*	*16.5*	Portland

SOURCE: MDRC calculations from unemployment insurance (UI) earnings records.

NOTES: See Table 5.2.

Differences between program group members and control group members (shown in italics) for "Employed in all four quarters" and "Earned $10,000 or more" among those employed in year 2 are not true experimental comparisons; statistical tests were not performed.

National Evaluation of Welfare-to-Work Strategies

Table 5.4

Program Impacts on Full-Time Employment in Year 2

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			A. For All Respondents		
Employed full-time in all 12 months in year 2 (%)					
Atlanta Labor Force Attachment	1890	14.2	14.4	-0.2	-1.4
Atlanta Human Capital Development	2199	13.0	14.4	-1.4	-9.8
Grand Rapids Labor Force Attachment	1158	19.6	18.8	0.8	4.2
Grand Rapids Human Capital Development	1158	16.4	18.8	-2.5	-13.1
Riverside Labor Force Attachment	1678	15.9	10.1	5.8 ***	57.8
Lacked high school diploma or basic skills	1012	13.2	7.6	5.6 ***	73.0
Riverside Human Capital Development	1350	10.2	7.6	2.6	33.9
Columbus Integrated	728	19.6	18.4	1.3	7.0
Columbus Traditional	723	18.5	18.4	0.1	0.6
Detroit	426	12.5	12.4	0.1	0.6
Oklahoma City	511	18.1	16.7	1.4	8.2
Portland	610	16.2	15.3	0.9	5.9

(continued)

Table 5.4 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed in Year 2				
				Employed full-time in all 12 months in year 2 (%)
26.4	*27.3*	*-0.9*	*-3.4*	Atlanta Labor Force Attachment
23.8	*27.3*	*-3.6*	*-13.0*	Atlanta Human Capital Development
25.6	*27.8*	*-2.2*	*-7.9*	Grand Rapids Labor Force Attachment
23.7	*27.8*	*-4.2*	*-15.0*	Grand Rapids Human Capital Development
26.8	*21.4*	*5.4*	*25.3*	Riverside Labor Force Attachment
24.8	*20.3*	*4.5*	*22.1*	Lacked high school diploma or basic skills
21.6	*20.3*	*1.3*	*6.3*	Riverside Human Capital Development
30.8	*32.7*	*-1.9*	*-5.8*	Columbus Integrated
31.2	*32.7*	*-1.5*	*-4.7*	Columbus Traditional
22.3	*26.5*	*-4.2*	*-15.9*	Detroit
26.9	*27.0*	*-0.1*	*-0.5*	Oklahoma City
23.0	*26.5*	*-3.4*	*-13.0*	Portland

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

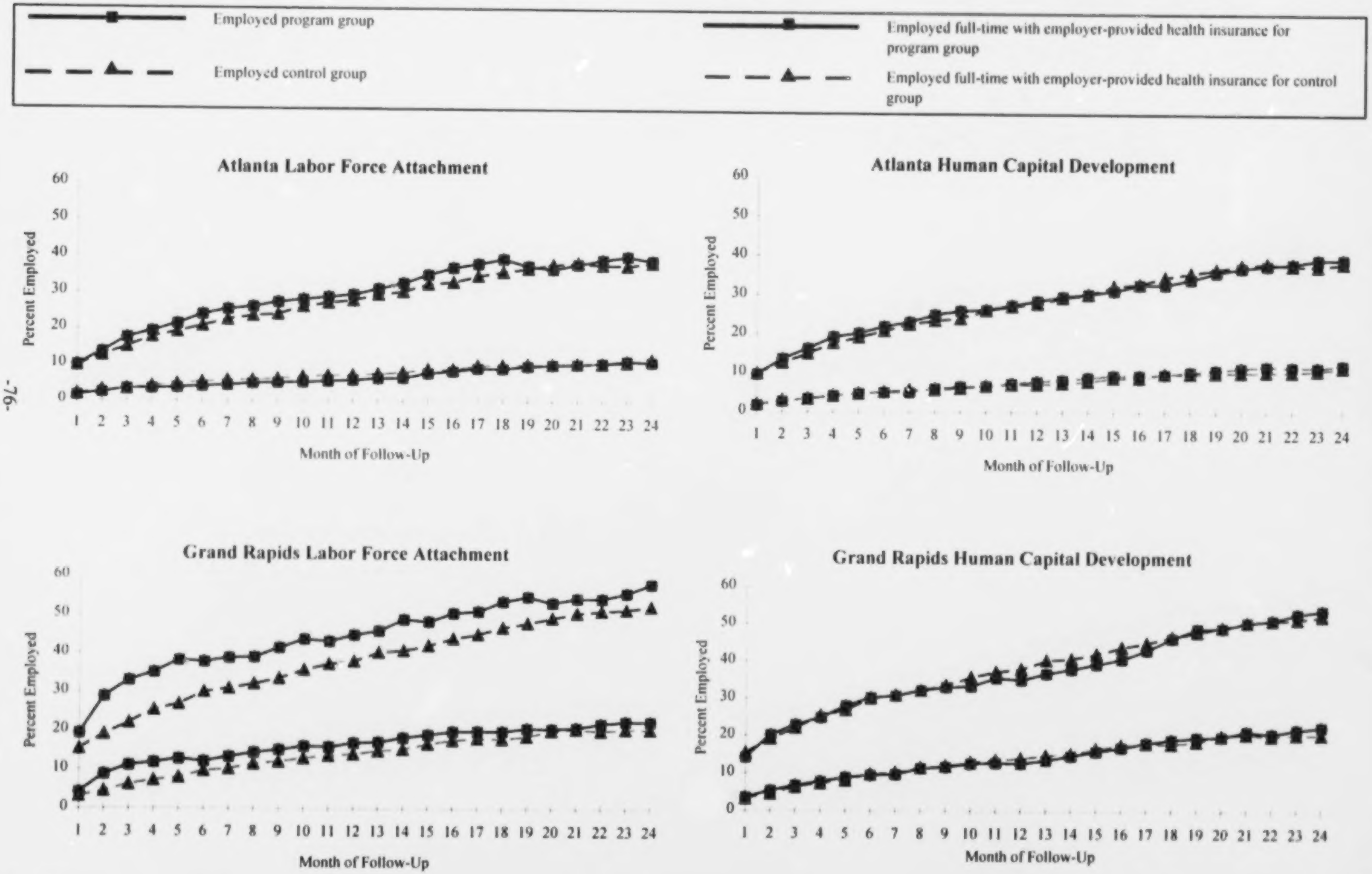
"Percentage change" equals 100 times the "difference" divided by the "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Differences between program group members and control group members (shown in italics) "For Those Employed in Year 2" are not true experimental comparisons; statistical tests were not performed.

National Evaluations of Welfare-to-Work Strategies
Figure 5.3
Proportions Employed and Employed Full-Time with Health Insurance, by Program and Month of Follow-Up



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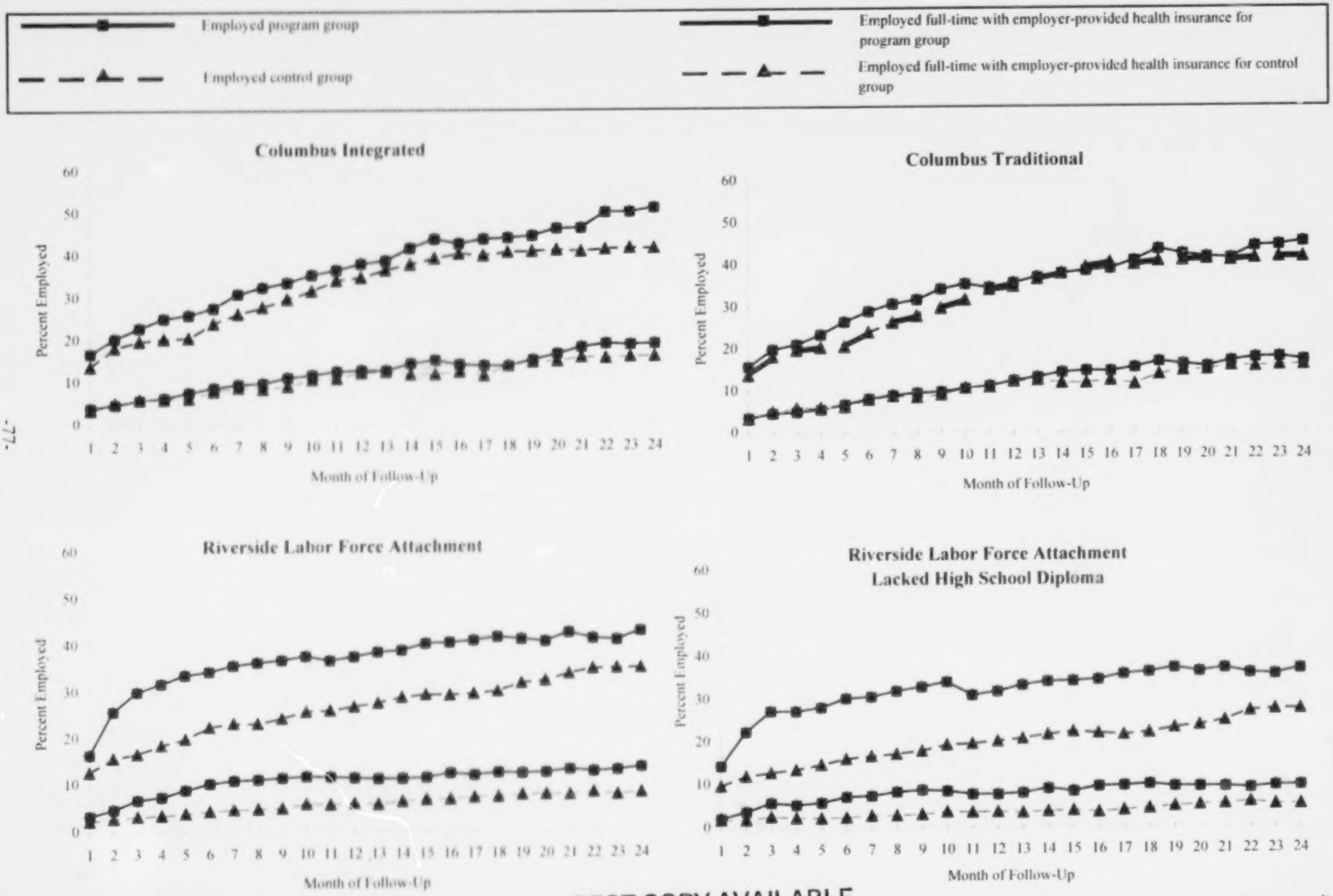

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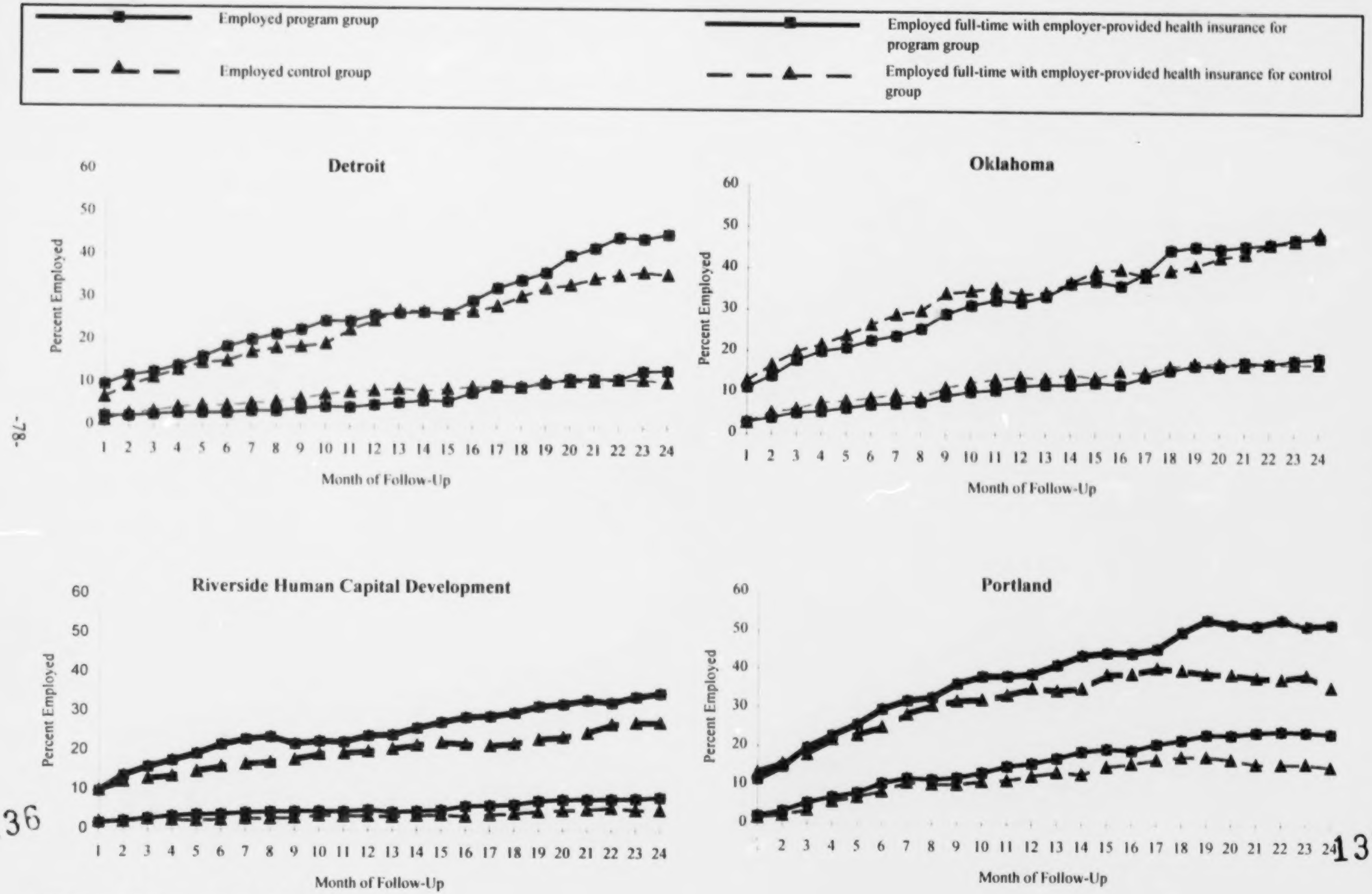

Detroit

Oklahoma

Riverside Human Capital Development

Portland

SOURCE and NOTES: See Table 5.4.

program group members earned $310 more than control group members on average. (See Table 5.2.) These results suggest that impacts in Portland will remain strong in year 3.

No single pattern can be predicted for education-focused programs. Impacts for Atlanta HCD, both Columbus programs, and Detroit grew larger toward the end of follow-up, suggesting that they will continue into year 3 and perhaps even increase. In Grand Rapids HCD-control differences remain fairly stable at the end of year 2, so gains should be sustained in the third year of follow-up. Riverside HCD and Oklahoma City program group members are not likely to work more or earn more than their control group counterparts in year 3.

Which approach was more effective in raising employment in the last month of year 2?

Survey data show that two employment-focused programs (Riverside LFA and Portland) and three education-focused programs (Riverside HCD, Columbus Integrated, and Detroit) increased employment in the last month of year 2 by statistically significant amounts. These five programs also increased full-time employment by nearly as much as, if not more than, they increased overall employment.[12]

No consistent pattern by approach was found: although Portland's gain was the largest of all, the gains of the three education-focused programs exceeded the Riverside LFA gain. Between one-third (Detroit) and one-half (Grand Rapids) of control group respondents reported being employed in the last month of follow-up. (See Table 5.5.) Excluding Portland, these gains ranged from 6.2 percentage points (Riverside LFA) to 8.1 percentage points (Detroit). Portland raised employment by 14.9 percentage points, an unusually large increase.

Did both program approaches improve job quality as of the last month of year 2?

Only two of the 11 NEWWS Evaluation programs, both of them employment-focused, improved all measured aspects of job quality: Riverside LFA and Portland. A higher percentage of program group members were holding full-time jobs with health benefits. Program group members also earned more per hour and per week on average than their counterparts in the control group. The Atlanta and Grand Rapids LFA programs, however, produced few positive effects on job quality.

Of all education-focused programs Columbus Integrated achieved the best results. It raised full-time employment and average wages but did not increase the proportion of recipients with employer-provided health insurance. Two other education-focused programs (Riverside HCD and Detroit) increased the percentage with full-time jobs but *decreased* average wages among those employed.[13] (They did not increase the percentage with employer-provided health insurance.)

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[12] The impact of the Riverside LFA program on full-time employment exceeded the impact on overall employment, indicating that the program reduced the percentage employed part time. Detroit's gain in full-time employment was not statistically significant.

[13] These programs helped find work for recipients who would have remained jobless on their own. These recipients may have been less skilled and, therefore, more likely to find lower-wage jobs than control group respondents who became employed without the program intervention. If so, they would have brought down the average wages of program group respondents.

National Evaluation of Welfare-to-Work Strategies

Table 5.5

Program Impacts on Employment, Based on Survey Data

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Ever employed during two-year follow-up period (%)			
Atlanta Labor Force Attachment	1890	60.0	58.1	1.9	3.2
Atlanta Human Capital Development	2199	59.6	58.1	1.4	2.5
Grand Rapids Labor Force Attachment	1158	81.3	73.0	8.4 ***	11.5
Grand Rapids Human Capital Development	1158	76.5	73.0	3.6	4.9
Riverside Labor Force Attachment	1678	72.1	56.2	16.0 ***	28.4
Lacked high school diploma or basic skills	1012	65.9	46.7	19.3 ***	41.3
Riverside Human Capital Development	1350	56.1	46.7	9.4 ***	20.1
Columbus Integrated	728	70.3	62.1	8.2 **	13.1
Columbus Traditional	723	65.1	62.1	3.0	4.8
Detroit	426	61.6	54.0	7.5	13.9
Oklahoma City	511	78.4	70.6	7.7 **	11.0
Portland	610	75.8	65.1	10.7 ***	16.5
		Employed at the end of two years (%)			
Atlanta Labor Force Attachment	1890	37.4	36.6	0.8	2.2
Atlanta Human Capital Development	2199	36.5	36.6	-0.2	-0.4
Grand Rapids Labor Force Attachment	1158	54.1	49.8	4.3	8.7
Grand Rapids Human Capital Development	1158	48.6	49.8	-1.2	-2.4
Riverside Labor Force Attachment	1678	40.9	34.6	6.2 ***	18.0
Lacked high school diploma or basic skills	1012	34.9	26.5	8.4 ***	31.7
Riverside Human Capital Development	1350	34.6	26.5	8.1 ***	30.5
Columbus Integrated	728	48.6	41.1	7.5 **	18.3
Columbus Traditional	723	43.9	41.1	2.8	6.9
Detroit	426	41.7	33.6	8.1 *	24.2
Oklahoma City	511	47.6	45.5	2.1	4.5
Portland	610	49.6	34.7	14.9 ***	42.8

SOURCE and NOTES: See Table 5.4.

The remaining four education-focused programs had mixed effects on wages and lacked statistically significant effects on full-time employment and the percentage with employer-provided health insurance.

In the last month of follow-up between 19.9 percent (Riverside) and 36.9 percent (Oklahoma City) of all control group respondents worked full time (see the third page of Table 5.6), and between 9.7 percent (Riverside) and 23.1 percent (Grand Rapids) held jobs that provided health insurance (see Table 5.7). Employed control group respondents in all programs earned more, on average, than the federal minimum wage (see the second page of Table 5.6). Their hourly wages ranged from $5.86 (Oklahoma City) to $6.78 (Detroit), and their weekly pay averaged between $207 (Oklahoma City) and $239 (Grand Rapids and Portland).

The Riverside LFA and Portland programs produced the largest increases in the percentage of welfare recipients with full-time jobs: 8.4 and 13.0 percentage points, respectively. Additionally, Riverside LFA and Portland respondents *who were employed at the end of year 2* were more likely to work full time, by 11.7 percentage points and 2.9 percentage points, respectively, than their control group counterparts. (See the last page of Table 5.6.)

Only the Riverside LFA and Portland programs increased the proportion of respondents in jobs with health insurance, with impacts of 4.4 and 10.1 percentage points, respectively. These effects were only two-thirds as large as the impacts on employment, indicating that not all Riverside LFA and Portland program group respondents who became employed found a job that provided health benefits.[14] Nevertheless, the proportion of *employed* persons covered was greater in the program group than in the control group. For example, 24.4 percent of Portland program group respondents were covered out of the 49.6 percent who were employed, so 49.2 percent (24.4 ÷ 49.6) of employed persons were covered; 14.3 percent of control group respondents were covered out of the 34.7 percent who were employed, so 41.2 percent of employed persons were covered. Therefore, Portland raised the proportion with employer-provided health insurance among those who worked by 7.9 percentage points. The corresponding Riverside LFA gain was 6.6 percentage points. (See panel B of Table 5.7.)

Not surprisingly, most jobs that provided health benefits were also full time. Thus, a similar proportion of program and control group members across all sites who had jobs with health benefits also had jobs that were full time *and* provided health insurance. Impacts were also relatively similar: an 8.3 percentage point increase in Portland and a 5.0 percentage point gain for Riverside LFAs.[15] (See panel A of Table 5.7.)

Portland produced the largest impacts on hourly and weekly pay at the end of two years. Its employed program group members earned $0.86 more per hour and $21 more per week, on average, than their control group counterparts. The Riverside LFA hourly wage increase was small ($0.15) and surpassed by increases of some education-focused programs, yet its weekly wage increase was more substantial: $19.

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[14] For the Riverside LFA program, the impact on the percentage covered by employer-provided health insurance, 4.4, divided by the impact on overall employment, 6.2, equals .71. For the Portland program the corresponding equation is 10.1 ÷ 14.9 = .68.

[15] These impacts differ slightly from the month 24 impacts presented in Figure 5.3 because they apply to jobs held at the time of interview. Respondents were interviewed *around* month 24 and not necessarily *in* month 24.

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Table 5.6

Program Impacts on Job Characteristics at the End of Two Years

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			A. For All Respondents		
Average weekly pay ($)					
Atlanta Labor Force Attachment	1890	84.37	76.08	8.29	10.9
Atlanta Human Capital Development	2199	82.01	76.08	5.92	7.8
Grand Rapids Labor Force Attachment	1158	121.75	118.77	2.97	2.5
Grand Rapids Human Capital Development	1158	110.76	118.77	-8.01	-6.7
Riverside Labor Force Attachment	1678	94.17	73.27	20.90 ***	28.5
Lacked high school diploma or basic skills	1012	73.75	52.35	21.41 ***	40.9
Riverside Human Capital Development	1350	63.38	52.35	11.03	21.1
Columbus Integrated	728	115.47	94.59	20.88 **	22.1
Columbus Traditional	723	101.73	94.59	7.13	7.5
Detroit	426	86.24	79.65	6.59	8.3
Oklahoma City	511	97.32	94.35	2.97	3.1
Portland	610	128.80	83.04	45.76 ***	55.1
Average hourly pay ($)					
Atlanta Labor Force Attachment	1890	2.39	2.23	0.16	7.3
Atlanta Human Capital Development	2199	2.29	2.23	0.06	2.7
Grand Rapids Labor Force Attachment	1158	3.44	3.24	0.20	6.3
Grand Rapids Human Capital Development	1158	3.08	3.24	-0.16	-5.0
Riverside Labor Force Attachment	1678	2.75	2.28	0.47 ***	20.7
Lacked high school diploma or basic skills	1012	2.17	1.71	0.47 **	27.4
Riverside Human Capital Development	1350	2.04	1.71	0.34 *	19.8
Columbus Integrated	728	3.21	2.65	0.56 **	21.3
Columbus Traditional	723	2.95	2.65	0.30	11.4
Detroit	426	2.49	2.28	0.21	9.3
Oklahoma City	511	2.74	2.67	0.07	2.5
Portland	610	3.64	2.25	1.39 ***	61.7

(continued)

Table 5.6 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed at End of Two Years				
				Average weekly pay ($)
225.34	*207.64*	*17.70*	*8.5*	Atlanta Labor Force Attachment
224.78	*207.64*	*17.14*	*8.3*	Atlanta Human Capital Development
225.08	*238.60*	*-13.53*	*-5.7*	Grand Rapids Labor Force Attachment
228.09	*238.60*	*-10.51*	*-4.4*	Grand Rapids Human Capital Development
230.30	*211.50*	*18.80*	*8.9*	Riverside Labor Force Attachment
211.32	*197.60*	*13.72*	*6.9*	Lacked high school diploma or basic skills
183.37	*197.60*	*-14.23*	*-7.2*	Riverside Human Capital Development
237.37	*230.13*	*7.24*	*3.1*	Columbus Integrated
231.57	*230.13*	*1.44*	*0.6*	Columbus Traditional
206.94	*237.35*	*-30.41*	*-12.8*	Detroit
204.49	*207.23*	*-2.73*	*-1.3*	Oklahoma City
259.77	*239.14*	*20.63*	*8.6*	Portland
				Average hourly pay ($)
6.38	*6.07*	*0.30*	*5.0*	Atlanta Labor Force Attachment
6.27	*6.07*	*0.19*	*3.2*	Atlanta Human Capital Development
6.36	*6.51*	*-0.14*	*-2.2*	Grand Rapids Labor Force Attachment
6.34	*6.51*	*-0.17*	*-2.6*	Grand Rapids Human Capital Development
6.72	*6.57*	*0.15*	*2.3*	Riverside Labor Force Attachment
6.23	*6.44*	*-0.21*	*-3.3*	Lacked high school diploma or basic skills
5.91	*6.44*	*-0.53*	*-8.2*	Riverside Human Capital Development
6.60	*6.44*	*0.16*	*2.5*	Columbus Integrated
6.71	*6.44*	*0.27*	*4.2*	Columbus Traditional
5.97	*6.78*	*-0.81*	*-12.0*	Detroit
5.75	*5.86*	*-0.11*	*-1.9*	Oklahoma City
7.34	*6.48*	*0.86*	*13.2*	Portland

(continued)

Table 5.6 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			A. For All Respondents		
Average hours worked per week					
Atlanta Labor Force Attachment	1890	12.9	12.6	0.3	2.7
Atlanta Human Capital Development	2199	12.9	12.6	0.4	3.0
Grand Rapids Labor Force Attachment	1158	18.9	18.3	0.6	3.5
Grand Rapids Human Capital Development	1158	17.0	18.3	-1.3	-6.8
Riverside Labor Force Attachment	1678	14.0	10.7	3.4 ***	31.4
Lacked high school diploma or basic skills	1012	12.0	8.0	4.0 ***	50.1
Riverside Human Capital Development	1350	10.7	8.0	2.7 ***	34.1
Columbus Integrated	728	17.3	14.5	2.8 **	19.4
Columbus Traditional	723	15.3	14.5	0.9	5.9
Detroit	426	14.3	11.6	2.7	23.3
Oklahoma City	511	16.4	16.2	0.2	1.2
Portland	610	17.5	12.6	4.9 ***	38.6
Employed full-time (%)					
Atlanta Labor Force Attachment	1890	27.5	28.4	-0.9	-3.0
Atlanta Human Capital Development	2199	28.3	28.4	-0.1	-0.3
Grand Rapids Labor Force Attachment	1158	40.4	36.5	3.8	10.5
Grand Rapids Human Capital Development	1158	36.1	36.5	-0.4	-1.1
Riverside Labor Force Attachment	1678	28.3	19.9	8.4 ***	42.1
Lacked high school diploma or basic skills	1012	23.0	15.4	7.6 ***	49.4
Riverside Human Capital Development	1350	21.2	15.4	5.9 **	38.1
Columbus Integrated	728	38.0	31.9	6.1 *	19.2
Columbus Traditional	723	32.6	31.9	0.8	2.4
Detroit	426	28.7	22.1	6.6	29.9
Oklahoma City	511	37.0	36.9	0.1	0.2
Portland	610	39.9	26.9	13.0 ***	48.1

(continued)

Table 5.6 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed at End of Two Years				
				Average hours worked per week
34.4	*34.3*	*0.2*	*0.5*	Atlanta Labor Force Attachment
35.4	*34.3*	*1.2*	*3.4*	Atlanta Human Capital Development
35.0	*36.7*	*-1.7*	*-4.7*	Grand Rapids Labor Force Attachment
35.1	*36.7*	*-1.7*	*-4.5*	Grand Rapids Human Capital Development
34.3	*30.8*	*3.5*	*11.4*	Riverside Labor Force Attachment
34.3	*30.1*	*4.2*	*13.9*	Lacked high school diploma or basic skills
31.0	*30.1*	*0.8*	*2.7*	Riverside Human Capital Development
35.5	*35.2*	*0.3*	*0.9*	Columbus Integrated
34.9	*35.2*	*-0.3*	*-0.9*	Columbus Traditional
34.3	*34.5*	*-0.2*	*-0.7*	Detroit
34.4	*35.5*	*-1.1*	*-3.2*	Oklahoma City
35.3	*36.4*	*-1.1*	*-2.9*	Portland
				Employed full-time (%)
73.5	*77.5*	*-4.0*	*-5.1*	Atlanta Labor Force Attachment
77.6	*77.5*	*0.1*	*0.2*	Atlanta Human Capital Development
74.7	*73.4*	*1.3*	*1.7*	Grand Rapids Labor Force Attachment
74.4	*73.4*	*1.0*	*1.4*	Grand Rapids Human Capital Development
69.3	*57.6*	*11.7*	*20.4*	Riverside Labor Force Attachment
65.8	*58.1*	*7.8*	*13.4*	Lacked high school diploma or basic skills
61.5	*58.1*	*3.4*	*5.9*	Riverside Human Capital Development
78.0	*77.5*	*0.5*	*0.7*	Columbus Integrated
74.3	*77.5*	*-3.2*	*-4.2*	Columbus Traditional
68.9	*65.8*	*3.0*	*4.6*	Detroit
77.8	*81.1*	*-3.3*	*-4.1*	Oklahoma City
80.4	*77.5*	*2.9*	*3.7*	Portland

SOURCE and NOTES: See Table 5.4.

Differences between program group members and control group members (shown in italics) "For Those Employed at End of Two Years" are not true experimental comparisons; statistical tests were not performed.

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National Evaluation of Welfare-to-Work Strategies

Table 5.7

Program Impacts on Employer-Provided Health Insurance at End of Two Years

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			A. For All Respondents		
Covered by employer-provided health insurance (%)					
Atlanta Labor Force Attachment	1890	11.6	12.3	-0.7	-5.5
Atlanta Human Capital Development	2199	13.0	12.3	0.7	5.9
Grand Rapids Labor Force Attachment	1158	23.6	23.1	0.5	2.2
Grand Rapids Human Capital Development	1158	22.8	23.1	-0.3	-1.2
Riverside Labor Force Attachment	1678	14.1	9.7	4.4 ***	45.7
Lacked high school diploma or basic skills	1012	10.6	5.9	4.7 ***	78.9
Riverside Human Capital Development	1350	8.6	5.9	2.6	44.7
Columbus Integrated	728	20.1	17.4	2.7	15.5
Columbus Traditional	723	19.4	17.4	2.0	11.4
Detroit	426	14.3	11.6	2.7	23.3
Oklahoma City	511	21.3	19.4	1.8	9.4
Portland	610	24.4	14.3	10.1 ***	70.3
Employed full-time and covered by employer-provided health insurance (%)					
Atlanta Labor Force Attachment	1890	10.6	11.5	-0.9	-8.0
Atlanta Human Capital Development	2199	11.8	11.5	0.3	2.9
Grand Rapids Labor Force Attachment	1158	21.6	20.9	0.7	3.5
Grand Rapids Human Capital Development	1158	21.1	20.9	0.2	1.1
Riverside Labor Force Attachment	1678	13.4	8.4	5.0 ***	59.1
Lacked high school diploma or basic skills	1012	10.3	5.2	5.1 ***	97.5
Riverside Human Capital Development	1350	7.0	5.2	1.8	35.4
Columbus Integrated	728	19.1	16.3	2.8	17.5
Columbus Traditional	723	18.0	16.3	1.8	10.9
Detroit	426	13.8	8.8	5.0	56.1
Oklahoma City	511	19.2	18.7	0.5	2.8
Portland	610	22.4	14.1	8.3 **	59.0

(continued)

Table 5.7 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed at End of Two Years				
				Covered by employer-provided health insurance (%)
31.0	*33.6*	*-2.5*	*-7.5*	Atlanta Labor Force Attachment
35.7	*33.6*	*2.1*	*6.3*	Atlanta Human Capital Development
43.5	*46.3*	*-2.8*	*-6.0*	Grand Rapids Labor Force Attachment
46.9	*46.3*	*0.6*	*1.3*	Grand Rapids Human Capital Development
34.5	*27.9*	*6.6*	*23.5*	Riverside Labor Force Attachment
30.3	*22.3*	*8.0*	*35.8*	Lacked high school diploma or basic skills
24.8	*22.3*	*2.4*	*10.9*	Riverside Human Capital Development
41.4	*42.4*	*-1.0*	*-2.4*	Columbus Integrated
44.2	*42.4*	*1.8*	*4.3*	Columbus Traditional
34.3	*34.5*	*-0.2*	*-0.7*	Detroit
44.7	*42.7*	*2.0*	*4.7*	Oklahoma City
49.2	*41.2*	*7.9*	*19.3*	Portland
				Employed full-time and covered by employer-provided health insurance (%)
28.3	*31.4*	*-3.1*	*-9.9*	Atlanta Labor Force Attachment
32.5	*31.4*	*1.0*	*3.3*	Atlanta Human Capital Development
40.0	*42.0*	*-2.0*	*-4.8*	Grand Rapids Labor Force Attachment
43.5	*42.0*	*1.5*	*3.6*	Grand Rapids Human Capital Development
32.8	*24.3*	*8.5*	*34.8*	Riverside Labor Force Attachment
29.4	*19.6*	*9.8*	*49.9*	Lacked high school diploma or basic skills
20.4	*19.6*	*0.7*	*3.8*	Riverside Human Capital Development
39.3	*39.6*	*-0.3*	*-0.7*	Columbus Integrated
41.1	*39.6*	*1.5*	*3.7*	Columbus Traditional
33.1	*26.3*	*6.8*	*25.7*	Detroit
40.4	*41.1*	*-0.7*	*-1.6*	Oklahoma City
45.2	*40.6*	*4.6*	*11.3*	Portland

SOURCE and NOTES: See Table 5.4.

Differences between program group members and control group members (shown in italics) "For Those Employed at End of Two Years" are not true experimental comparisons; statistical tests were not performed.

Neither Atlanta LFA nor Grand Rapids LFA increased full-time employment or the percentage with employer-provided health insurance. The former program did, however, raise average hourly and weekly pay for those employed by $0.30 and $18. Grand Rapids LFAs experienced a decrease in average wages in the last month of follow-up. (See Table 5.6.)

The Columbus Integrated program raised the proportion employed full time by 6.1 percentage points and increased average hourly and weekly pay for those employed by $0.16 and $7. Other education-focused programs produced larger gains in the individual measures — for example, the Atlanta HCD impact on weekly pay was $17 — but none of them was as consistent across measures as the Columbus Integrated program.

Chapter 6

Impacts on Public Assistance

This chapter presents impacts on AFDC and Food Stamp receipt and payments estimated from automated state and county payment records, according to the time period under analysis: the full two years of follow-up, the second year of follow-up, and the last quarter of year 2.

It is critical to examine whether employment- and education-focused programs attain large reductions in AFDC receipt, in light of the new five-year federal time limit on cash assistance for most recipients and more stringent limits on eligibility adopted by many states. Although the NEWWS Evaluation programs did not set time limits during the follow-up period, the degree of self-sufficiency achieved by their enrollees at the end of two years can shed light on how these approaches might fare in the new welfare environment. Further, for states that maintain eligibility longer than two years impacts at the two-year mark provide important information on future trends. Past studies have shown that recipients on cash assistance at the end of year 2 are likely to remain on welfare for several more years.[1] Under TANF, many of these recipients will eventually be in danger of losing federal eligibility. On the other hand, programs that reduce AFDC receipt at the end of year 2 will likely decrease assistance in future years. It is also important to study program effects on Food Stamp receipt because the poor will become more dependent on this form of aid as time limits force them off cash assistance.

I. Key Questions

- Did employment-focused programs, which produced the largest cumulative employment and earnings gains, also produce the largest reductions in AFDC receipt and average AFDC payments? Did Portland's reductions surpass those of all other programs?
- Which welfare-to-work approach achieved the largest decreases in the percentage of recipients who would have reached a two-year time limit had one been imposed?
- How much of the two-year AFDC savings was due to recipients leaving welfare and how much was due to lower average monthly grants for those still on assistance? Did programs that frequently imposed financial sanctions increase the proportion of savings because of lower monthly grants?
- Patterns in employment and earnings gains over time showed that several education-focused programs were producing impacts similar to those of some employment-focused programs by the end of year 2. Did AFDC impacts also converge over the course of follow-up?

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[1] See, for example, Riccio and Freedman, with Harknett, 1995, p. 38.

- Did any program achieve large reductions in the amount of Food Stamps received over two years and in the percentage receiving Food Stamps at the end of year 2?

II. Analysis Issues

As explained in Chapter 5, earnings gains for employment-focused programs are expected to be large initially but may decline later in the follow-up, whereas education-focused programs are not expected to show effects immediately but should produce a larger pay-off in year 2 or beyond. Impacts on AFDC payments should follow a similar pattern because, in general, the higher a recipient's earnings, the lower her AFDC grant. Earnings gains may not lead to welfare reductions, however, if they mainly occur for persons who have already left the rolls. Generous earnings disregards, such as those provided in Atlanta and Riverside (see Chapter 1), could also cause an increase in employment and earnings without a corresponding decrease in AFDC payments. Contrariwise, sanctions for nonparticipation or other factors may lower average grant amounts without a rise in employment. Also, some people may exit welfare for reasons other than employment, such as marriage or an out-of-state move.

Earnings gains affect Food Stamp receipt less predictably than they affect AFDC receipt. Food Stamp grant calculations count a dollar of earnings less than a dollar of AFDC, so a person who replaces welfare dollars with earnings may experience a net increase in Food Stamps.[2] On the other hand, a former welfare recipient may experience a decrease in (or complete loss of) Food Stamps if earnings gains are relatively large.

As indicated in Chapter 1, maximum AFDC and Food Stamp grant levels vary considerably across the NEWWS Evaluation sites. These differences could affect the size of AFDC and Food Stamp reductions that programs achieved. For instance, savings in AFDC expenditures may be larger in a high-grant state simply because there are more dollars to save. On the other hand, reductions in months on AFDC may be larger in a low-grant state, because earnings from full-time jobs often disqualify a person from assistance. Site-by-site differences in background characteristics of sample members may also affect impacts. Savings will likely be greater in sites where most sample members face significant barriers to employment and long stays on welfare than in sites where a large percentage of sample members are likely to find work and leave welfare quickly.

To make comparisons more meaningful, reductions in public assistance dollars or month of receipt can be converted to a uniform measure that is less sensitive to site variations in maximum grant levels or in sample member characteristics. One such measure, the *percentage change* in public assistance dollars or months of receipt (a program's impact divided by the control group mean), will be presented throughout this chapter.

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[2] The Food Stamp benefit level equals the maximum benefit level minus 30 percent of a household's countable income. Countable income includes 100 percent of AFDC payments but only 80 percent of earnings, so a sample member who replaces AFDC with earnings could lower her countable income and thus increase her Food Stamp payments (Ohls and Beebout, 1993).

For this analysis reductions in months of receipt or in total expenditures of 10 percent or more are considered *large; moderate* reductions range from 5 to 10 percent, and *small* reductions fall below 5 percent. A similar standard is applied to percentage point differences in levels of AFDC and Food Stamp receipt: impacts of 10 percentage points or more are considered *large,* 5 to 10 percentage points are considered *moderate,* and less than 5 percentage points are considered *small.* These benchmarks are based on ranges of impact findings from previous experimental evaluations of welfare-to-work programs.

III. Key Findings

- Over two years, three of the four largest reductions in average months of AFDC receipt and in average AFDC payments were achieved by employment-focused programs. Grand Rapids LFA and Portland produced especially large decreases. Several education-focused programs also generated large reductions in total AFDC expenditures. Savings were small to moderate for low enforcement education-focused programs.

- All programs generated welfare savings mainly from people leaving assistance and less from reduced grants for those still on welfare. With some exceptions, lower average monthly grants made a greater contribution to welfare savings for education-focused programs than for employment-focused programs.

- All programs also lowered the proportion of recipients who would have reached a two-year time limit had one been imposed. Neither approach produced consistently larger impacts on this measure. The two largest impacts, however, occurred in employment-focused programs: Grand Rapids LFA and Portland. Even in these programs, though, the clock would have run out for about a quarter to a third of welfare recipients.

- Regardless of their welfare-to-work approach, all programs reduced AFDC receipt and payments in the last quarter of year 2. Portland's reduction of 11.7 percentage points far exceeded all others. The other employment-focused programs did not consistently lower *the percentage on welfare* at the end of follow-up more than education-focused programs. Three of the four largest reductions in AFDC *payments* (both dollar and percentage reductions), however, were generated by employment-focused programs.

- Most programs produced small to moderate reductions in average two-year Food Stamp payments and in the percentage receiving Food Stamps in quarter 9. No approach produced consistently larger impacts. As expected, programs produced smaller impacts on Food Stamp receipt and payments than on AFDC.

IV. Impacts Over Two Years

This section presents two-year impacts on months of AFDC receipt, the percentage who received AFDC continuously for 24 months, and AFDC expenditures. It discusses the relative contributions to welfare reductions of two factors: the decrease in average months of receipt and the decrease in average monthly grants for those still on welfare. Finally, it examines program effects on total Food Stamp payments.

Did employment-focused programs produce larger reductions in the length of time that recipients spent on welfare over two years than education-focused programs?

Since each month of welfare receipt brings an individual closer to a time limit, reducing months of receipt, as opposed to only grant amounts, will be a primary goal of welfare-to-work programs under TANF. Over the two-year follow-up, control group members received cash assistance for an average of 12 months (Oklahoma City) to 20 months (Detroit). (See Table 6.1.)

Employment-focused programs shortened the average length of time on welfare by just over a month (Atlanta), or 6 percent, to about two and a half months (Portland), or 16 percent. In general, employment-focused programs produced somewhat larger reductions than education-focused programs. Portland's program impact exceeded that of all the other programs in the evaluation, although Grand Rapids and Riverside LFA also ranked among the top four programs in reducing total months of AFDC receipt.

For education-focused programs reductions in average months of AFDC receipt ranged from about half a month (Detroit), or 2 percent, to a little more than a month and a half (Columbus Integrated), or 10 percent. (Columbus Integrated decreased months on AFDC more than two employment-focused programs.) The low enforcement program in Oklahoma City produced a small reduction despite a lack of employment and earnings impacts during most of the follow-up. Possibly, participation requirements deterred some Oklahoma City program group members from the rolls before they found a job. Also, because of closer monitoring case managers may have been more likely to discover that program group members (as opposed to control group members) already received income from employment that would render them ineligible for AFDC.

Which approach achieved larger decreases in the percentage of recipients who would have reached a two-year time limit had one been imposed?

Neither approach produced consistently larger impacts on the percentage of recipients who got a welfare check 24 months in a row. The two largest impacts, however, were produced by employment-focused programs: Grand Rapids LFA and Portland.

Between 22.2 percent (Oklahoma City) and 63.4 percent (Detroit) of control group members received AFDC in every month of the follow-up period (not shown in tables). Portland and Grand Rapids LFA decreased control group levels the most, by 13.9 and 12.9 percentage points, respectively. The other two employment-focused programs achieved moderate reductions. For education-focused programs impacts fell between 3.9 percentage points (Oklahoma) and 9.8 percentage points (Columbus Integrated).

Did employment-focused programs produce larger reductions in AFDC expenditures over two years than education-focused programs?

As shown in Table 6.1, two-year AFDC expenditures for the typical control group member ranged from $3,624 (Oklahoma City) to $9,600 (Riverside). All employment-focused programs generated welfare savings over two years. For the most part, these savings exceeded the savings of education-focused programs. Portland and Grand Rapids LFA produced unusually large decreases of 17 and 19 percent, respectively. The Riverside LFA impact was also large (14 percent), whereas Atlanta LFA produced a moderate reduction (about 8 percent).

Four education-focused programs (Riverside and Grand Rapids HCD and both Columbus programs) also decreased welfare expenditures by large amounts (between 10 and 13 percent), which surpassed the Atlanta LFA impact. Among the other three education-focused programs, reductions ranged from 2 percent (Detroit, not statistically significant) to 6 percent (Atlanta HCD).

Did fewer months of receipt or lower average monthly grants contribute more to welfare savings? Were lower average monthly grants a greater factor for education-focused programs?

A welfare-to-work program can reduce AFDC expenditures by decreasing the number of months that recipients remain on welfare (discussed above) or by reducing average monthly grants for those still on welfare. Regardless of program approach, fewer months of receipt made a greater contribution to two-year welfare savings. With some exceptions (Columbus Integrated and Oklahoma City) lower average monthly grants made a greater contribution to welfare savings for education-focused programs than for employment-focused programs.

Table 6.1 presents program-control differences in average AFDC payments per month of receipt over two years of follow-up.[3] For control group members the average monthly welfare check totaled between $268 in Atlanta and $598 in Riverside. (These two sites also form the low and high ends of the *maximum* AFDC benefit levels: $280 in Atlanta and $624 in Riverside for a family of three, as discussed in Chapter 1.)

All programs except the two low enforcement education-focused programs (Detroit and Oklahoma City) decreased average grants. Effects were small in most programs, and neither approach produced consistently larger program-control differences on this measure. Percentage reductions were largest for both programs in Grand Rapids and Riverside: 4.7 to 7.3 percent. In the remaining programs they ranged from 1.3 percent (Atlanta LFA) to 3.6 percent (Columbus Traditional).

For each of the employment-focused programs fewer months of receipt, as opposed to lower average monthly grants, contributed between about two-thirds (Grand Rapids and Riverside LFA) and nine-tenths (Portland) of the impact.[4] The corresponding range for education-

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[3] This measure is nonexperimental because it includes only program and control group members who received AFDC payments (in other words, zeros for those without payments are not averaged in). For this reason, program-control differences were not tested for statistical significance.

[4] The average monthly payment amount for controls multiplied by the reduction in number of months of AFDC indicates what the AFDC savings would have been if average monthly payment amounts were the same for program and control group members who remained on welfare. In Portland, for example, this calculation ($452 times 2.41 months) yields $1,089, which represents 91 percent of the $1,196 two-year AFDC savings. The remainder of the impact on two-year AFDC payments may have come from reductions in grants imposed by sanctions or from employment while still on welfare. Alternatively, the overall reduction in months of receipt may have fallen primarily on cases with above-average monthly grant amounts. Decompositions of this sort are only approximations, since they ignore interactions between grant level and case closure.

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Table 6.1

Program Impacts on AFDC Receipt and Payments

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
	Average number of months receiving AFDC in years 1 and 2				
Atlanta Labor Force Attachment	3833	17.20	18.35	-1.15 ***	-6.3
Atlanta Human Capital Development	3881	17.78	18.35	-0.57 **	-3.1
Grand Rapids Labor Force Attachment	3012	15.19	17.41	-2.21 ***	-12.7
Grand Rapids Human Capital Development	2997	16.19	17.41	-1.22 ***	-7.0
Riverside Labor Force Attachment	6726	14.59	16.05	-1.46 ***	-9.1
Lacked high school diploma or basic skills	3125	15.37	16.74	-1.37 ***	-8.2
Riverside Human Capital Development	3135	15.78	16.74	-0.96 ***	-5.7
Columbus Integrated	4672	14.83	16.41	-1.58 ***	-9.6
Columbus Traditional	4729	15.38	16.41	-1.03 ***	-6.3
Detroit	4459	19.23	19.71	-0.48 **	-2.4
Oklahoma City	8677	10.93	11.71	-0.78 ***	-6.7
Portland	5547	13.12	15.53	-2.41 ***	-15.5
	Ever received any AFDC payments in last quarter of year 2 (%)				
Atlanta Labor Force Attachment	3833	61.3	67.0	-5.7 ***	-8.5
Atlanta Human Capital Development	3881	63.6	67.0	-3.5 **	-5.1
Grand Rapids Labor Force Attachment	3012	53.5	60.9	-7.4 ***	-12.1
Grand Rapids Human Capital Development	2997	54.3	60.9	-6.5 ***	-10.7
Riverside Labor Force Attachment	6726	50.0	56.4	-6.4 ***	-11.3
Lacked high school diploma or basic skills	3125	54.2	60.0	-5.9 ***	-9.8
Riverside Human Capital Development	3135	56.0	60.0	-4.1 **	-6.8
Columbus Integrated	4672	47.1	53.8	-6.8 ***	-12.5
Columbus Traditional	4729	49.3	53.8	-4.6 ***	-8.5
Detroit	4459	70.1	73.7	-3.6 ***	-4.8
Oklahoma City	8677	38.4	40.8	-2.5 **	-6.0
Portland	5547	41.3	53.0	-11.7 ***	-22.1

(continued)

Table 6.1 (continued)

Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Average total AFDC payments received in years 1 and 2 ($)				
4553	4922	-369 ***	-7.5	Atlanta Labor Force Attachment
4634	4922	-288 ***	-5.8	Atlanta Human Capital Development
5944	7347	-1404 ***	-19.1	Grand Rapids Labor Force Attachment
6512	7347	-835 ***	-11.4	Grand Rapids Human Capital Development
8292	9600	-1308 ***	-13.6	Riverside Labor Force Attachment
8894	10302	-1408 ***	-13.7	Lacked high school diploma or basic skills
9253	10302	-1049 ***	-10.2	Riverside Human Capital Development
4775	5469	-694 ***	-12.7	Columbus Integrated
4939	5469	-530 ***	-9.7	Columbus Traditional
8457	8615	-158	-1.8	Detroit
3391	3624	-233 ***	-6.4	Oklahoma City
5818	7014	-1196 ***	-17.1	Portland
Average AFDC payments per month of receipt in years 1 and 2 ($)				
265	*268*	*-4*	*-1.3*	Atlanta Labor Force Attachment
261	*268*	*-8*	*-2.8*	Atlanta Human Capital Development
391	*422*	*-31*	*-7.3*	Grand Rapids Labor Force Attachment
402	*422*	*-20*	*-4.7*	Grand Rapids Human Capital Development
568	*598*	*-30*	*-5.0*	Riverside Labor Force Attachment
579	*615*	*-37*	*-6.0*	Lacked high school diploma or basic skills
586	*615*	*-29*	*-4.7*	Riverside Human Capital Development
322	*333*	*-11*	*-3.4*	Columbus Integrated
321	*333*	*-12*	*-3.6*	Columbus Traditional
440	*437*	*3*	*0.6*	Detroit
310	*309*	*1*	*0.3*	Oklahoma City
443	*452*	*-8*	*-1.8*	Portland

(continued)

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Table 6.1 (continued)

SOURCE: MDRC calculations from AFDC records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Italicized estimates cover only periods of AFDC receipt. Differences between program group members and control group members (shown in italics) for "Average AFDC payments per month of receipt in years 1 and 2" are not true experimental comparisons; statistical tests were not performed.

focused programs is just over half (Atlanta HCD) to all (Oklahoma City) of the impact. Across all programs the median contribution of fewer months of receipt, represented by Grand Rapids and Riverside LFA, was about two-thirds.

On average, lower average monthly grants made the larger contribution to welfare savings among high enforcement education-focused programs. This result is not surprising: these programs tended to keep recipients on cash assistance a little longer than employment-focused programs (at least over a relatively short follow-up period). Also, as indicated in Chapter 4, high enforcement education-focused programs tended to sanction more.[5]

Did either approach achieve large reductions in Food Stamp receipt over two years?

The average control group member received between $2,725 (Riverside) and $4,934 (Atlanta) in Food Stamps over two years. (See Table 6.2.) On average, control group members in all sites except Atlanta received more AFDC dollars than Food Stamps over years 1 and 2. The ratio of AFDC to Food Stamps, however, varied considerably across sites, from 1.0 in Atlanta and Oklahoma City to 3.5 in Riverside.

All but three NEWWS Evaluation programs (Atlanta LFA and HCD and Oklahoma City) reduced average two-year Food Stamp payments. Neither of the two main welfare-to-work approaches achieved consistently larger reductions in two-year Food Stamp payments. Riverside LFA produced the largest reduction in Food Stamp payments (13 percent), but one other employment-focused program (Portland) and two education-focused programs (Columbus Integrated and Riverside HCD) reduced expenditures between 9 and 10 percent over two years. Other employment- and education-focused programs produced small to moderate effects.

It is not surprising that percentage reductions in Food Stamp expenditures tended to be smaller than percentage reductions in AFDC payments. As discussed above, both earnings and welfare dollars are counted as income in Food Stamp grant calculations. Programs that increased earnings decreased welfare dollars, so the two effects were at least partially "canceled out."

V. Impacts in Year 2

This section explores trends in impacts on AFDC payments over time by comparing impacts in year 2 with those in year 1 for both employment- and education-focused programs.

Did impacts on AFDC payments for employment-focused programs become larger or smaller in the second year of follow-up? Did Portland's year 2 welfare reductions grow as substantially as its earnings gains?

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[5] Within each of the three sites with side-by-side comparisons of education- and employment-focused approaches (Atlanta, Grand Rapids, and Riverside), enrollees in the education-focused (HCD) program spent slightly more time on cash assistance than enrollees in the employment-focused (LFA) program. (See Table 6.1.) High maximum benefit levels (as in Riverside) and generous earnings disregards (as in Atlanta and Riverside), both of which raise the chances of working while staying on welfare, should also increase the relative contribution of lower average monthly grants.

For all employment-focused programs percentage reductions in AFDC payments grew larger in year 2. Portland's patterns of AFDC savings over the course of follow-up were as promising as its patterns of employment and earnings gains.

In the first year of follow-up control group members across all seven sites averaged between $2,125 (Oklahoma) and $5,793 (Riverside) in AFDC. Not surprisingly, mean control group payments became lower in year 2 as some control group members found jobs on their own. They ranged from $1,499 (Oklahoma) to $4,509 (Riverside). (First- and second-year means and impacts are not shown in tables.)

For the employment-focused programs year 1 impacts on AFDC payments followed a pattern similar to those on employment and earnings. Grand Rapids, Riverside, and Portland reduced expenditures by large amounts (over 10 percent), whereas Atlanta's savings were moderate (5.3 percent). In year 2 percentage reductions in Grand Rapids and Riverside became larger (rising to 21.0 and 17.1 percent, respectively), unlike earnings and employment impacts, which declined. Atlanta produced higher welfare savings in year 2 (10.2 percent) than in year 1 as earnings gains also increased. In Portland percentage reductions in AFDC grew larger with every quarter of the follow-up period, and the program saved 24.3 percent in year 2, over twice as much as it did in year 1. (See Figure 6.1 for a depiction of impacts on AFDC payments over time.)

Did impacts on AFDC payments for education-focused programs increase in year 2?

All education-focused programs except Detroit's reduced average AFDC payments by small to moderate amounts in the first year of follow-up. In year 2 each of these programs lowered average payments even further, and program-control differences in Detroit grew to statistical significance. (First- and second-year impacts are not shown in tables. See Figure 6.1 for a depiction of impacts on AFDC payments over time.) Impacts ranged from a 3.5 percent decrease (Detroit) to a 16.5 percent decrease (Columbus Integrated), and over half were more than 10 percent (not shown in tables). The Riverside HCD reduction of 12.8 percent in year 2 was surprising, because it was not accompanied by an increase in earnings.

VI. Impacts at the End of Year 2

This section presents three measures of public assistance that apply to the last quarter of follow-up (quarter 9): the percentage who received AFDC, average AFDC payments, and the percentage who received Food Stamps.

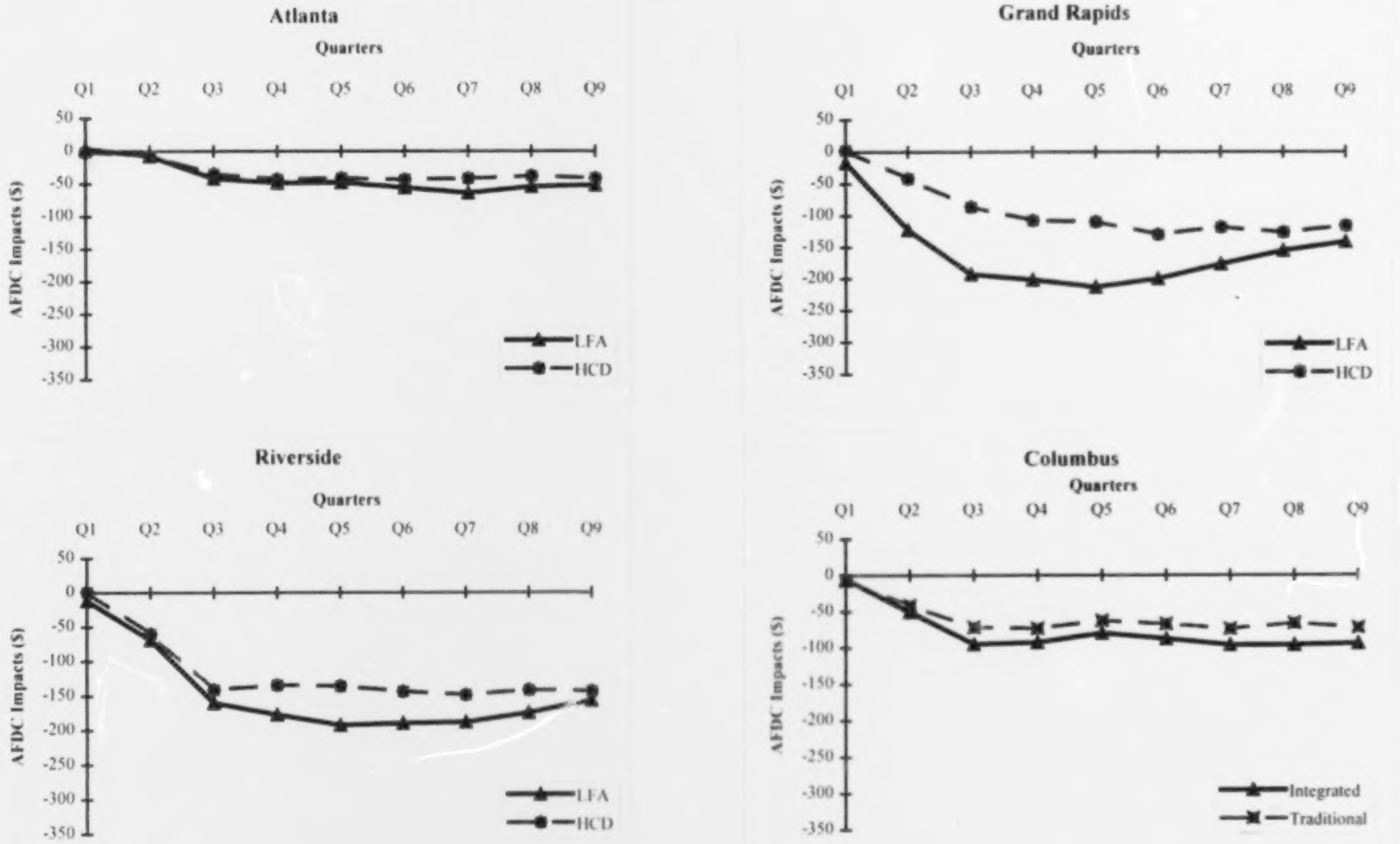
Which program approach more effectively reduced the percentage of enrollees who were on AFDC at the end of two years?

As shown in Table 6.1, between 40.8 percent (Oklahoma City) and 73.7 percent (Detroit) of control group members received a welfare check in quarter 9. The median (Riverside) was 56.4. percent. Portland's employment-focused, varied first activity approach produced the largest reduction of all programs in the proportion on welfare in quarter 9: 11.7 percentage points. The other employment-focused programs also reduced welfare receipt, by 6 to 7 percentage points, similar to decreases achieved by two education-focused programs (Grand Rapids HCD and Co-

National Evaluation of Welfare-to-Work Strategies

Figure 6.1

Quarterly Impacts on AFDC Payments, by Site and Program



Atlanta

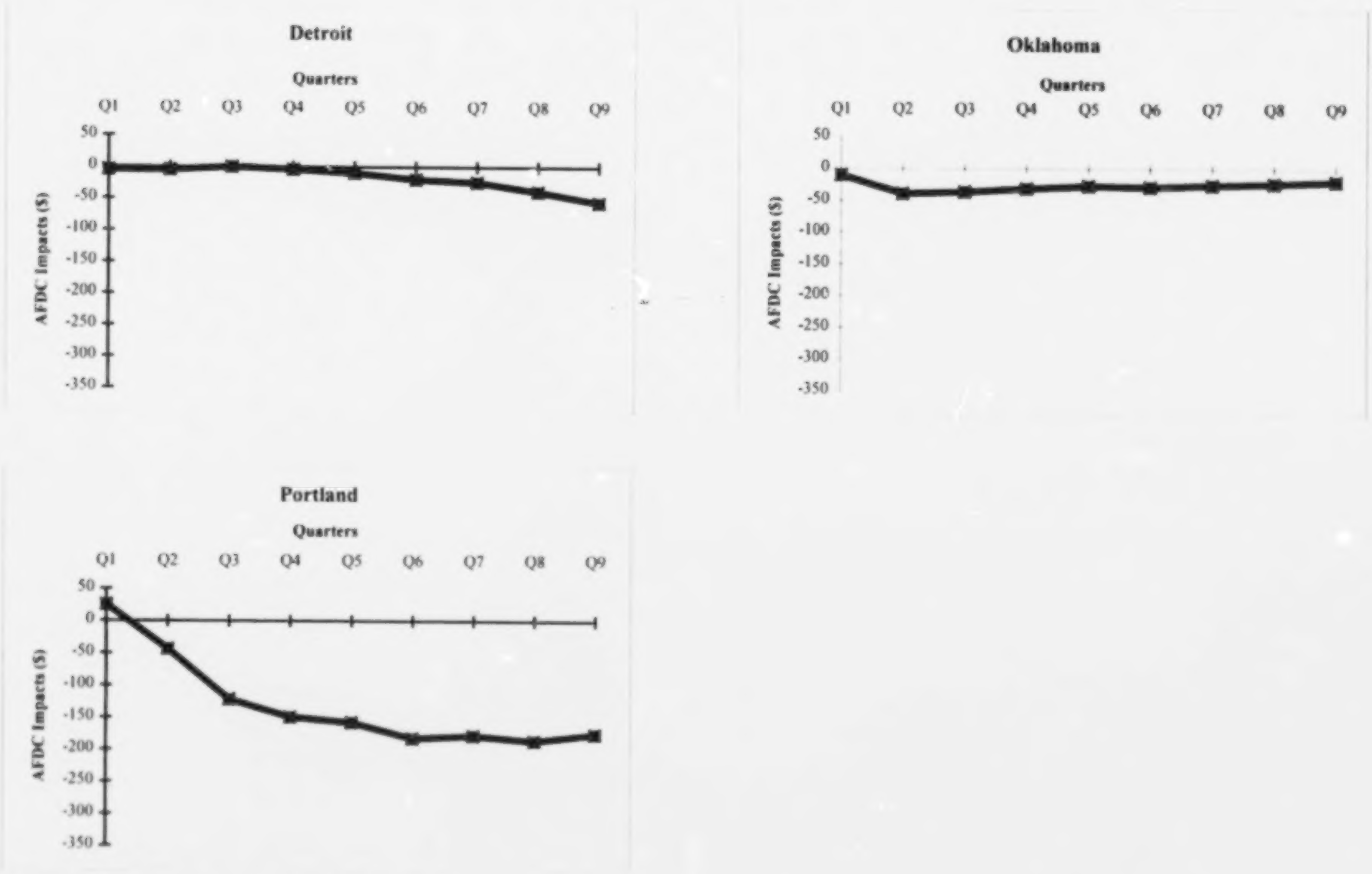
Grand Rapids

Riverside

Columbus

(continued)

Figure 6.1 (continued)



SOURCE: MDRC calculations from AFDC records.

NOTES: The quarter of random assignment refers to the calendar quarter in which random assignment occurred. Because quarter 1, the quarter of random assignment, may contain some AFDC payments from the period prior to random assignment, it is excluded from follow-up measures. Thus, "year 1" is quarters 2 through 5, and "year 2" is quarters 6 through 9.

lumbus Integrated). The other education-focused programs produced small reductions in AFDC receipt.

It is noteworthy that a substantial portion of program group members were receiving welfare payments at the end of two years, ranging from about 40 percent (Oklahoma City and Portland) to 70 percent (Detroit). These results demonstrate that helping recipients find employment and move off assistance remains a formidable challenge for welfare administrators.

How will the employment- and education-focused programs fare in year 3, based on the magnitude and stability of AFDC payment impacts at the end of two years?

In the last quarter of year 2 the typical control group member received between $340 (Oklahoma City) and $955 (Riverside) in AFDC (not shown in tables). All employment-focused programs produced large AFDC savings in quarter 9, from 10 to 26 percent, and three of these programs ranked among the top four in the evaluation in reducing welfare expenditures. Savings for employment-focused programs remained fairly stable relative to prior quarters (see Figure 6.1) and should continue to reduce average welfare payments in year 3. Four of the seven education-focused programs also decreased AFDC expenditures by a large percentage in the last quarter of follow-up. The other education-focused programs, including the two low enforcement programs, produced moderate reductions. For most education-focused programs percentage reductions in AFDC grew slightly at the end of follow-up, so they may become even larger in the future. (Impacts for the Grand Rapids HCD and Oklahoma City programs did not grow but were stable.)

Did either approach produce large reductions in Food Stamp receipt in quarter 9?

Table 6.2 indicates that between 54.4 percent (Riverside) and 81.7 percent (Detroit) of control group members were receiving Food Stamps at the end of two years. In all sites except Riverside these proportions are higher than the proportion of control group members on AFDC (by 6.5 to 15.1 percentage points). Eight programs decreased quarter 9 Food Stamp receipt by small to moderate amounts, between 3.5 percentage points (Detroit) and 7.6 percentage points (Riverside LFA), with neither welfare-to-work approach producing consistently larger reductions. The same three programs that did not significantly decrease Food Stamp payments over two years (Atlanta LFA and HCD and Oklahoma City) also had no effect on Food Stamp receipt at the end of follow-up.

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Table 6.2

Program Impacts on Food Stamp Payments and Receipt

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Average total Food Stamps received in years 1 and 2 ($)			
Atlanta Labor Force Attachment	3833	4846	4934	-88	-1.8
Atlanta Human Capital Development	3881	4931	4934	-3	-0.1
Grand Rapids Labor Force Attachment	3012	3416	3695	-279 ***	-7.6
Grand Rapids Human Capital Development	2997	3592	3695	-103 *	-2.8
Riverside Labor Force Attachment	6726	2372	2725	-353 ***	-13.0
Lacked high school diploma or basic skills	3125	2576	2929	-353 ***	-12.0
Riverside Human Capital Development	3135	2642	2929	-286 ***	-9.8
Columbus Integrated	4672	4278	4710	-432 ***	-9.2
Columbus Traditional	4729	4398	4710	-312 ***	-6.6
Detroit	4459	4737	4829	-92 *	-1.9
Oklahoma City	8677	3485	3554	-69	-1.9
Portland	5547	3954	4359	-405 ***	-9.3
		Ever received Food Stamps in last quarter of year 2 (%)			
Atlanta Labor Force Attachment	3833	75.7	76.9	-1.2	-1.5
Atlanta Human Capital Development	3881	75.9	76.9	-1.0	-1.3
Grand Rapids Labor Force Attachment	3012	61.5	67.3	-5.8 ***	-8.6
Grand Rapids Human Capital Development	2997	63.5	67.3	-3.8 **	-5.6
Riverside Labor Force Attachment	6726	46.8	54.4	-7.6 ***	-14.0
Lacked high school diploma or basic skills	3125	51.4	57.6	-6.1 ***	-10.6
Riverside Human Capital Development	3135	52.1	57.6	-5.5 ***	-9.6
Columbus Integrated	4672	57.9	64.0	-6.0 ***	-9.5
Columbus Traditional	4729	60.0	64.0	-4.0 ***	-6.2
Detroit	4459	78.2	81.7	-3.5 ***	-4.3
Oklahoma City	8677	55.6	56.0	-0.4	-0.6
Portland	5547	58.7	63.3	-4.6 ***	-7.2

SOURCE: MDRC calculations from Food Stamp records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Chapter 7

Impacts on Self-Sufficiency and Income

This chapter describes program impacts on three indicators of self-sufficiency recorded at the end of year 2: the proportion of sample members who combined welfare and work, the proportion who left welfare entirely for employment, and the proportion who left welfare without a job. It then explores the employment status of all adults in the sample members' household to gauge sample members' longer-term prospects for economic security. The chapter examines program impacts on several measures of income for sample members and their household, estimated from the administrative records and survey responses. It concludes with a discussion about whether any of the programs helped lift families out of poverty.

Promoting self-sufficiency is an important goal for welfare-to-work programs, particularly in the new welfare environment. Programs that increase employment *and raise income* reduce the likelihood that families will return to welfare and/or experience long-term joblessness and hardship — a possibility, under time-limited welfare, if families exhaust their eligibility for assistance. Further, as discussed later in the report, the amount of income available to mothers can affect the material and emotional resources available to children and can thereby influence children's well-being.[1]

I. Key Questions

- Did either approach (employment- or education-focused) consistently produce impacts on a series of measures of self-sufficiency?
- How effective were the approaches in moving people off welfare and into jobs at the end of two years?
- Did either approach successfully increase sample members' reliance on earnings as opposed to welfare?
- Did either approach encourage sample members to leave welfare without employment? To what extent did these sample members have other sources of unearned income or live with others who worked or received income from other sources?
- Did either approach increase income for sample members and their household?
- Did either approach help reduce poverty?

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[1] See Chapter 10.

II. Analysis Issues

All welfare-to-work strategies aim to increase self-sufficiency to some degree. Although it is often only loosely defined, self-sufficiency has many dimensions, which can be thought of as part of a continuum that ranges from long-term welfare dependency to complete independence from public assistance and the economic security of working at a stable and well-paying job.

At a minimum, programs try to increase self-sufficiency by reducing recipients' time on welfare and AFDC payments, as discussed in the previous chapter. This result is not always positive, as some recipients leave welfare without employment. Programs strive to achieve a more positive self-sufficiency by helping recipients replace income from welfare and Food Stamps with earnings. They hope to move recipients entirely off welfare through employment, but may encourage recipients to combine work and welfare temporarily to help them gain experience in the workplace and assure continuation of health coverage.[2] Programs intend for recipients and their children to attain at least the same level of income from work (and, possibly, from child support) as they received from welfare and Food Stamps. Some programs may also accomplish still higher goals of increasing individuals' total income and lifting welfare families out of poverty.

Welfare-to-work programs, however, can also have negative effects on income and on self-sufficiency. They may encourage recipients to take jobs that pay less than welfare, enroll recipients in education or training programs that do not lead to employment, and/or implement case management and sanctioning policies that lead some recipients to forgo welfare before they find a job. Further, it is important to keep in mind that programs may produce positive effects on measures of self-sufficiency slowly, perhaps after the two-year mark, when recipients have worked continuously for a year or more or have moved into better jobs.

For the most part, both the employment- and education-focused approaches are expected to produce similar results on measures of self-sufficiency at the end of two years. As discussed earlier, at this point some education-focused programs produced employment and earnings gains and welfare reductions that were comparable to those for some employment-focused programs. For measures that describe what happened in the second year of follow-up, employment-focused programs may show stronger impacts than education-focused programs.

In this chapter, income is measured in several ways (see text box below) for different time periods and based on data from various sources. The measures may produce different results; however, taken together, they present a more complete picture that is important for understanding program effects and for informing policy.

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[2] The four programs in Riverside and Atlanta operated in states that employed financial incentives to make it easier for recipients to stay on welfare while working.

Measures of Income

Combined income includes income from AFDC, Food Stamps, and earnings in the second year of follow-up and is based on administrative records data. A second measure of combined income adds estimated Earned Income Tax Credit (EITC) receipts to the first measure.

Total measured respondent income is estimated from survey data for the last month of follow-up and includes income from all sources: earnings from regular or "odd" jobs (i.e., casual, short term, or "off-the-books"), AFDC, Food Stamps, child support, alimony, Supplemental Security Income (SSI), Social Security, unemployment insurance, worker's compensation, General Assistance, Refugee Assistance, foster child payments, Women, Infant, and Children Nutrition Program (WIC), any money from family or friends outside the household, and any other sources of income.

Total measured household income is estimated from survey data for the last month of follow-up and includes income for all household members from the same sources listed above.

Total measured respondent net income is estimated for the last month of follow-up and includes average EITC receipts and out-of-pocket child care payments in addition to total measured respondent income.

Total measured household net income is estimated for the last month of follow-up and includes average EITC receipts and out-of-pocket child care payments in addition to total measured household income.

NOTE: Estimates of "total measured income" are recorded on survey responses only and may be incomplete. Some respondents may have received additional income from earnings or from public assistance that was only recorded on state or county administrative records. (See Appendix F for further discussion.) Also, respondents or other household members may have received additional income from sources not included in the survey.

III. Key Findings

- Most employment- and education-focused programs produced impacts on some but not all measures of self-sufficiency. Portland's employment-focused, varied first activity approach produced the most consistent and largest impacts on these measures. It increased the proportion of recipients who were employed and off welfare, raised recipients' reliance on earnings, and also modestly increased income and reduced poverty.

- Most programs produced small increases in the proportion of program group members who were employed and off AFDC at the end of two years and also increased recipients' reliance on earnings as opposed to welfare.
- Several programs increased the rate at which recipients left welfare without a job. The majority of these recipients reported having another source of income and/or lived with someone who worked or who had another source of income.
- Most programs had little or no effect on income. Three programs, however, reduced combined income from earnings, AFDC, and Food Stamps in the second year of follow-up, even when estimated EITC was added to combined income. Only Portland and Atlanta HCD produced gains in combined income when EITC was included, averaging 4.9 and 3.7 percent, respectively.
- Most programs produced little to no reductions in poverty. Using the most inclusive measure of combined income (including estimated EITC), six programs, in fact, slightly increased the proportion of recipients living below 50 percent of the poverty level in the second year. Five programs increased the proportion of recipients living above poverty by a small amount; Portland was most successful, producing a 7 percentage point gain.

Did either approach increase the proportion of sample members who combined work and welfare at the end of two years?

Programs had little effect on the proportion of recipients who combined work and welfare at the end of year 2. (See Table 7.1.) Across all sites between 10 and 20 percent of control group members combined work and welfare in quarter 9 — as measured with administrative records. Four programs (Atlanta and Riverside HCD, Riverside LFA, and Portland) increased this measure by 2 to 3 percentage points. Survey results in the last month of follow-up were generally similar.[3]

Which approach was more effective in moving people off welfare and into jobs as of the end of two years?

Both education- and employment-focused approaches moved a relatively small portion — no more than a third — of program group members off welfare into employment two years after study entry. There was little difference in the magnitude of impacts between approaches; Portland's program, however, produced the largest effects.

As shown in Table 7.1, all programs except Riverside HCD and Oklahoma City increased recipients' self-reliance. In the last quarter of year 2 between 14.0 percent (Detroit) and 26.6 percent (Columbus) of control group members were employed and off AFDC — as measured with administrative records. Only Portland (9.3 percentage points) and Columbus Integrated (6.6 percentage points) attained moderate impacts on this measure. The remaining programs produced only small effects.

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[3] According to survey data, control group respondents were less likely to indicate that they combined welfare payments with work in the last month than in the last quarter. Impacts from the survey data were comparable to those from the administrative records data, although no program-control differences were statistically significant, perhaps because the sample sizes were smaller. These differences may result from the fact that the administrative records data cover a longer period of time (one quarter) than the survey data (one month) or that quarterly data do not account for sequential activities. For example, a sample member who receives welfare in the first month of a calendar quarter and starts a job and leaves assistance before the third month is still counted on administrative records-based measures as combining welfare and work in that quarter.

Program impacts from the survey were generally consistent with those from the administrative records. Survey records, however, show somewhat higher levels of being off AFDC and employed.[4]

Did either approach increase recipients' reliance on earnings as opposed to welfare at the end of two years?

Importantly, both approaches raised earnings as a share of total income two years after study entry.[5] As shown in Table 7.2, for control group respondents earnings from regular or odd jobs accounted for between 21.4 percent (Detroit) and 38.1 percent (Oklahoma City) of total income. All four employment-focused programs and three education-focused programs (Riverside HCD, Columbus Integrated, and Detroit) successfully increased recipients' earnings as a proportion of their total income. Portland produced the largest gain on this measure of self-sufficiency: 12.2 percentage points. Impacts for other programs ranged from 3.3 percentage points (Atlanta LFA) to 9.5 percentage points (Detroit).

Did either approach encourage recipients to leave welfare without employment?

Both approaches slightly increased the proportion of recipients who left welfare without a job at the end of two years. Sanctioning policies and program requirements across all programs may have encouraged recipients to leave welfare without employment. Programs that had higher sanction rates, however, did not produce larger increases on this measure. It should also be noted that some sample members could have originally left welfare for employment and then lost their job without returning to assistance.

As shown in Table 7.1, between 12.4 percent (Detroit) and 36.8 percent (Oklahoma City) of control group members left welfare and were jobless. All four employment-focused programs and three of the education-focused programs increased the proportion of recipients who fell into this category at the end of two years. Impacts were small in every program, ranging from 2.1 percentage points (Atlanta LFA) to 4.8 percentage points (Riverside HCD).

According to survey data, fewer programs produced impacts on this measure. Specifically, between 10 percent (Atlanta) and 17 percent (Oklahoma City) of control group members had left welfare without a job as of the end of the two-year follow-up period. Only Riverside LFA and Oklahoma City increased this group, by 3.4 and 7.9 percentage points, respectively. In

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[4] Survey-based measures of employment and earnings discussed in this chapter include employment at regular and "odd" (i.e., casual, short-term, or "off the books") jobs. Few respondents reported working at odd jobs, however. Earnings from these jobs made up less than 5 percent of total earnings for any research group.

[5] For this measure, persons with no reported income from any source are considered to have zero percent of their income from earnings. This decision allows all sample members to be included in calculations of program and control group levels and maintains the experimental validity of the findings.

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Table 7.1

Program Impacts on Employment and Welfare Status in Last Quarter of Year 2

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
			Employed and not on AFDC (%)		
Atlanta Labor Force Attachment	3833	23.9	20.3	3.6 ***	17.7
Atlanta Human Capital Development	3881	23.7	20.3	3.4 ***	16.7
Grand Rapids Labor Force Attachment	3012	25.7	22.9	2.8 *	12.2
Grand Rapids Human Capital Development	2997	27.0	22.9	4.1 ***	17.8
Riverside Labor Force Attachment	6726	18.5	16.2	2.3 **	14.1
Lacked high school diploma or basic skills	3125	14.4	13.2	1.2	9.1
Riverside Human Capital Development	3135	12.5	13.2	-0.7	-5.3
Columbus Integrated	4672	33.2	26.6	6.6 ***	24.9
Columbus Traditional	4729	31.2	26.6	4.6 ***	17.3
Detroit	4459	16.8	14.0	2.9 ***	20.5
Oklahoma City	8677	21.7	22.3	-0.6	-2.8
Portland	5547	33.3	24.0	9.3 ***	38.6
			Employed and on AFDC (%)		
Atlanta Labor Force Attachment	3833	18.9	18.2	0.8	4.3
Atlanta Human Capital Development	3881	20.9	18.2	2.7 **	14.9
Grand Rapids Labor Force Attachment	3012	21.5	20.2	1.3	6.5
Grand Rapids Human Capital Development	2997	20.1	20.2	-0.1	-0.7
Riverside Labor Force Attachment	6726	12.8	10.9	1.9 **	17.6
Lacked high school diploma or basic skills	3125	11.9	9.9	2.0 *	20.6
Riverside Human Capital Development	3135	12.5	9.9	2.6 **	26.0
Columbus Integrated	4672	18.5	20.1	-1.6	-7.9
Columbus Traditional	4729	19.1	20.1	-1.1	-5.3
Detroit	4459	21.8	21.6	0.2	1.0
Oklahoma City	8677	11.5	12.0	-0.5	-4.0
Portland	5547	12.9	11.3	1.6 *	14.2

(continued)

Table 7.1 (continued)

Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Not employed and on AFDC (%)				
42.4	48.9	-6.5 ***	-13.3	Atlanta Labor Force Attachment
42.7	48.9	-6.2 ***	-12.6	Atlanta Human Capital Development
32.0	40.7	-8.7 ***	-21.4	Grand Rapids Labor Force Attachment
34.3	40.7	-6.4 ***	-15.7	Grand Rapids Human Capital Development
37.3	45.6	-8.3 ***	-18.2	Riverside Labor Force Attachment
42.2	50.1	-7.9 ***	-15.8	Lacked high school diploma or basic skills
43.5	50.1	-6.7 ***	-13.3	Riverside Human Capital Development
28.5	33.7	-5.2 ***	-15.3	Columbus Integrated
30.2	33.7	-3.5 ***	-10.3	Columbus Traditional
48.3	52.1	-3.8 ***	-7.3	Detroit
26.9	28.9	-2.0 **	-6.9	Oklahoma City
28.4	41.7	-13.3 ***	-31.9	Portland
Not employed and not on AFDC (%)				
14.8	12.6	2.1 **	16.7	Atlanta Labor Force Attachment
12.7	12.6	0.1	0.4	Atlanta Human Capital Development
20.8	16.2	4.6 ***	28.3	Grand Rapids Labor Force Attachment
18.7	16.2	2.4 *	15.0	Grand Rapids Human Capital Development
31.5	27.4	4.1 ***	15.0	Riverside Labor Force Attachment
31.5	26.8	4.7 ***	17.4	Lacked high school diploma or basic skills
31.6	26.8	4.8 ***	17.8	Riverside Human Capital Development
19.7	19.6	0.1	0.6	Columbus Integrated
19.6	19.6	0.0	-0.2	Columbus Traditional
13.1	12.4	0.7	5.7	Detroit
39.9	36.8	3.1 ***	8.4	Oklahoma City
25.4	23.0	2.5 **	10.7	Portland

SOURCES: MDRC calculations from unemployment insurance (UI) earnings records and AFDC records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

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Table 7.2

Program Impacts on Total Respondent Income in the Last Month of Follow-Up

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Total measured respondent income ($)[a]			
Atlanta Labor Force Attachment	1890	691	669	22	3.3
Atlanta Human Capital Development	2199	699	669	30 *	4.4
Grand Rapids Labor Force Attachment	1158	791	828	-37	-4.5
Grand Rapids Human Capital Development	1158	793	828	-35	-4.2
Riverside Labor Force Attachment	1678	879	860	19	2.2
Lacked high school diploma or basic skills	1012	854	851	4	0.4
Riverside Human Capital Development	1350	845	851	-5	-0.6
Columbus Integrated	728	770	778	-7	-0.9
Columbus Traditional	723	793	778	15	2.0
Detroit	426	782	764	18	2.4
Oklahoma City	511	671	706	-35	-5.0
Portland	610	891	834	57	6.8
		Respondent earnings as a percentage of total measured income (%)			
Atlanta Labor Force Attachment	1890	29.8	26.5	3.3 *	12.4
Atlanta Human Capital Development	2199	27.9	26.5	1.4	5.3
Grand Rapids Labor Force Attachment	1158	42.0	36.3	5.7 **	15.7
Grand Rapids Human Capital Development	1158	38.6	36.3	2.3	6.4
Riverside Labor Force Attachment	1678	29.9	23.5	6.4 ***	27.1
Lacked high school diploma or basic skills	1012	25.6	18.7	6.9 ***	37.1
Riverside Human Capital Development	1350	23.9	18.7	5.3 **	28.3
Columbus Integrated	728	41.3	31.9	9.4 ***	29.4
Columbus Traditional	723	34.6	31.9	2.7	8.4
Detroit	426	31.0	21.4	9.5 ***	44.3
Oklahoma City	511	37.6	38.1	-0.5	-1.3
Portland	610	38.5	26.2	12.2 ***	46.6

(continued)

Table 7.2 (continued)

Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Total measured respondent net income ($)[b]				
723	699	24	3.4	Atlanta Labor Force Attachment
725	699	26	3.7	Atlanta Human Capital Development
792	833	-42	-5.0	Grand Rapids Labor Force Attachment
805	833	-28	-3.4	Grand Rapids Human Capital Development
886	867	19	2.2	Riverside Labor Force Attachment
864	859	5	0.6	Lacked high school diploma or basic skills
849	859	-10	-1.2	Riverside Human Capital Development
797	806	-9	-1.1	Columbus Integrated
823	806	17	2.1	Columbus Traditional
776	766	10	1.3	Detroit
697	737	-40	-5.4	Oklahoma City
902	843	59	7.0	Portland
Total measured respondent net income at or above the poverty level (%)				
21.1	19.9	1.2	6.0	Atlanta Labor Force Attachment
20.5	19.9	0.6	3.1	Atlanta Human Capital Development
31.7	31.4	0.4	1.2	Grand Rapids Labor Force Attachment
31.3	31.4	-0.1	-0.2	Grand Rapids Human Capital Development
33.6	27.4	6.3 ***	22.8	Riverside Labor Force Attachment
30.6	23.2	7.4 ***	31.8	Lacked high school diploma or basic skills
26.7	23.2	3.5	14.9	Riverside Human Capital Development
27.2	23.9	3.3	13.8	Columbus Integrated
28.4	23.9	4.5	18.9	Columbus Traditional
24.7	20.9	3.7	17.8	Detroit
25.3	26.0	-0.6	-2.4	Oklahoma City
35.6	29.2	6.4	21.7	Portland

(continued)

Table 7.2 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times the "difference" divided by the "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] The survey asked about income in the month before interview from regular or odd jobs; Food Stamps; AFDC; child support; alimony; Women, Infant, and Children Nutrition Program (WIC); Supplemental Security Income; Social Security; unemployment insurance; Worker's Compensation; General Assistance; Refugee Assistance; foster child payments; any money from family or friends outisde the household to help pay living expenses; and other sources of income. This measure does not include average EITC receipts.

[b] Out-of-pocket child care payments are self-reported and are included to estimate total net income. EITC payments are imputed based on reported earnings in the last month of follow-up and an 80 percent take up rate (see Scholz, 1996).

all other programs the proportion of program group members in this status was similar to that of control group members.[6]

To what extent did these recipients have other sources of unearned income or live with others who worked or received income from other sources?

According to survey data, most program group and control group members who left welfare and were not working had another source of income.[7] Moreover, the majority of these individuals reported living with someone who had a source of income.

Across all sites between 61 percent (Atlanta) and 77 percent (Columbus) of control group members who left welfare and did not have a job reported having another source of income. The median across all sites was 68 percent. Differences between program and control group members also varied across programs. In Riverside and Atlanta LFA, program group members were more likely to have another source of income, by 8 percentage points and 17 percentage points, respectively. In four other programs the opposite occurred; that is, program group members were less likely to have another source of income, by 6 percentage points (Oklahoma City) to 9 percentage points (Portland).

Program and control group respondents who left welfare without work more frequently reported receiving Food Stamps than other types of income. In most sites between a third and a half of control group members in this subgroup received Food Stamps. Fewer received child support payments, although the proportion ranged from less than 10 percent in three sites to more than 17 percent in the other sites. Additionally, in most sites between 13 and 22 percent of control group respondents received SSI payments.

There were no consistent patterns among program-control group differences for these types of income. Three programs *increased* the proportion of program group members who received Food Stamps by at least 5 percentage points. Three other programs *decreased* Food Stamp receipt by about the same amount. Four programs reduced the proportion who were receiving child support payments by 10 to 13 percentage points and two programs increased it by up to 11 percentage points. There were fewer program-control group differences for SSI payments, although three programs lowered SSI receipt by at least 6 percentage points.

Further, at least 87 percent of control group members who left welfare and were jobless received income from some source or lived with others who had a source of income. Across all program, between 44 percent (Detroit) and 76 percent (Portland) of control group respondents had support from others. In most sites about half of control group respondents who left welfare without employment reported living with someone who was employed; the other half seemed to have doubled up with others who were receiving some type of assistance.

Similar proportions of program and control group respondents lived with others who had income from some source. Interestingly, in most programs program group respondents who were off AFDC and jobless were less likely to live with others who were employed by 6 to 17 percentage points. Only Grand Rapids LFA and Portland increased the likelihood of this situation, by 6 percentage points and 18 percentage points, respectively.

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[6] Differences in the results from the two data sources may be due to the fact that they cover slightly different time periods and samples and that the survey data capture unreported and irregular employment.

[7] The following analysis is based on survey data and is nonexperimental; that is, it includes only respondents who reported that they left welfare and were not working during the last month of follow-up. Program-control differences of 5 percentage points or greater are discussed.

In what ways is it possible for welfare-to-work strategies to affect the likelihood that recipients live in a household with at least one wage earner?

Welfare-to-work programs can affect the employment status of adults in sample members' households and thereby influence recipients' prospects for longer-term economic security. This section describes four situations that programs are likely to affect and that represent increasing levels of economic security (see Table 7.3). They include the following combinations:

- both the sample member and other household members are *not* employed
- only other household members are employed
- only the sample member is employed
- both the sample member and other household members are employed

Households in which no members are employed are the most economically vulnerable and at greatest risk of experiencing long-term hardship. Income from AFDC, Food Stamps, and other transfer payments is typically not sufficient to lift recipients out of poverty. Households in which the sample member does not work but others are employed may be somewhat better off than those in the first category. This situation, however, may reflect recipients' need to resort to certain strategies to cope with joblessness and low income. Specifically, recipients who do not have a visible means of support or have trouble meeting monthly expenses may have to move in with relatives or other individuals who are employed or have a source of income.

More positively, households in which the sample member is employed have a greater chance of attaining longer-term self-sufficiency and economic security. Although their situation may remain tenuous unless their earnings are substantial, recipients in this category most likely have better prospects. Families can only escape poverty if the recipient works or combines income from work with transfer payments and EITC receipts.

Finally, the chances of a household attaining long-term economic security improve dramatically if the recipient is employed and lives with a second wage earner who helps provide for the children. Programs may only indirectly affect this positive outcome. For example, recipients who work may be more likely to develop relationships with others who work or may be better able to find jobs for others in their household.

Did both approaches affect the likelihood that recipients live in a household with at least one wage earner?

Overall, both approaches increased the likelihood that recipients live in a household with at least one wage earner, indicating that both approaches may have improved recipients' prospects for longer-term economic security. At the end of two years several programs that represented both types of approaches decreased the proportion of recipients in the most economically vulnerable situations and increased the proportion in situations that, over time, were more likely to be financially secure.

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As shown in Table 7.3, at the end of two years between 40 and 60 percent of control group members in most sites reported living in a household in which no member was employed and which are at greatest risk of long-term hardship. Five programs in the evaluation (Grand Rapids and Riverside LFA, Riverside HCD, Portland, and Columbus Integrated) decreased the proportion of households with no income from employment, by 6.1 percentage points (Riverside LFA) to 11.0 percentage points (Portland).

In most programs between 10 and 24 percent of control group members reported living in household in which someone else was the only wage earner, representing, in some cases, the need to "double up." No program increased the proportion of sample members in this situation. Atlanta LFA and Oklahoma City actually reduced the incidence of recipients' relying on others' earnings, by 3.2 and 6.0 percentage points, respectively.

More positively, six programs increased the proportion of households in which the sample member was employed, but was the only wage earner. The four employment-focused programs, as well as Columbus Integrated and Riverside HCD, produced the largest increases in these types of households. Impacts ranged from 4.1 percentage points (Atlanta LFA) to 7.4 percentage points (Riverside HCD); two programs (Columbus Integrated and Portland) produced at least a 10 percentage point gain.

As expected, in most of these programs increases in the percentage of households in which the sample member was employed were accompanied by decreases in the percentage of households in which no one was employed. In Atlanta LFA and, to a lesser extent, in some other programs program group members were also more likely to be the only wage earner and less likely to live in a household in which only someone else worked for pay. These latter impacts could mean that once sample members became employed, they no longer had to depend on income from others and so moved out of the household.

Finally, programs generally did not affect the likelihood of sample members being employed and living with others who also worked. Only Portland had a positive effect on the incidence of two-earner households, but the difference was not statistically significant. This 4.5 percentage point impact most likely contributed to the slight increase in total household income, discussed below.

Did either approach increase combined income from earnings, AFDC, and Food Stamps in the second year of follow-up?

As shown in Table 7.4, most programs did not raise combined income from three main sources — AFDC, Food Stamps, and earnings — in the second year of follow-up. In fact, three programs representing both approaches decreased combined income, making recipients, on average, somewhat worse off. In contrast, Portland and Atlanta HCD and LFA produced small increases in combined income, but the differences were not statistically significant. Thus, in most programs program group members either replaced what they lost in public assistance with a similar amount of earnings or forfeited more in public assistance than they gained in earnings.

More specifically, in the second year of follow-up control group members averaged between $5,238 (Oklahoma City) and $8,892 (Detroit) in combined income from earnings, AFDC, and Food Stamps. As shown in Table 7.4, Grand Rapids LFA and Riverside LFA and HCD lowered average combined income by 3.9 to 8.0 percent ($303 to $619). At the same time, Atlanta

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Table 7.3

Program Impacts on Employment Status of Respondent and Other Household Members in the Last Month of Follow-Up

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Only respondent employed (%)			
Atlanta Labor Force Attachment	1890	31.8	27.8	4.1 **	14.7
Atlanta Human Capital Development	2199	28.2	27.8	0.4	1.5
Grand Rapids Labor Force Attachment	1158	37.7	32.8	4.9 *	15.0
Grand Rapids Human Capital Development	1158	33.9	32.8	1.1	3.2
Riverside Labor Force Attachment	1678	28.4	22.4	5.9 ***	26.5
Lacked high school diploma or basic skills	1012	25.7	18.4	7.4 ***	40.2
Riverside Human Capital Development	1350	25.7	18.4	7.4 ***	40.1
Columbus Integrated	728	37.6	27.4	10.2 ***	37.1
Columbus Traditional	723	31.5	27.4	4.1	14.9
Detroit	426	33.8	28.3	5.5	19.4
Oklahoma City	511	30.2	28.9	1.3	4.5
Portland	610	32.5	21.6	10.9 ***	50.5
		Only other household members employed (%)			
Atlanta Labor Force Attachment	1890	8.5	11.7	-3.2 **	-27.2
Atlanta Human Capital Development	2199	9.6	11.7	-2.1	-17.6
Grand Rapids Labor Force Attachment	1158	13.7	12.6	1.1	8.8
Grand Rapids Human Capital Development	1158	11.8	12.6	-0.8	-6.2
Riverside Labor Force Attachment	1678	17.6	18.6	-1.1	-5.7
Lacked high school diploma or basic skills	1012	19.6	19.8	-0.2	-1.1
Riverside Human Capital Development	1350	19.6	19.8	-0.2	-1.0
Columbus Integrated	728	10.8	14.4	-3.6	-25.0
Columbus Traditional	723	12.2	14.4	-2.2	-15.0
Detroit	426	4.5	8.6	-4.0	-47.1
Oklahoma City	511	15.2	21.2	-6.0 *	-28.3
Portland	610	19.3	23.6	-4.4	-18.5

(continued)

Table 7.3 (continued)

Program Group	Control Group	Difference (Impact)		Percentage Change (%)	Site and Program
Respondent and other household members employed (%)					
7.6	8.6	-0.9		-11.0	Atlanta Labor Force Attachment
8.9	8.6	0.4		4.3	Atlanta Human Capital Development
18.8	18.6	0.2		1.1	Grand Rapids Labor Force Attachment
19.2	18.6	0.6		3.5	Grand Rapids Human Capital Development
14.2	13.0	1.2		9.2	Riverside Labor Force Attachment
11.8	10.1	1.7		16.7	Lacked high school diploma or basic skills
11.2	10.1	1.1		10.6	Riverside Human Capital Development
14.3	13.2	1.1		8.5	Columbus Integrated
14.5	13.2	1.3		10.2	Columbus Traditional
9.7	5.8	3.9		67.8	Detroit
18.6	19.4	-0.9		-4.4	Oklahoma City
17.6	13.1	4.5		33.9	Portland
Respondent and other household members not employed (%)					
52.0	52.0	0.0		0.1	Atlanta Labor Force Attachment
53.2	52.0	1.3		2.4	Atlanta Human Capital Development
29.8	36.0	-6.2	**	-17.3	Grand Rapids Labor Force Attachment
35.1	36.0	-0.9		-2.6	Grand Rapids Human Capital Development
39.9	46.0	-6.1	***	-13.2	Riverside Labor Force Attachment
42.9	51.7	-8.9	***	-17.1	Lacked high school diploma or basic skills
43.5	51.7	-8.2	***	-15.9	Riverside Human Capital Development
37.3	45.0	-7.7	**	-17.1	Columbus Integrated
41.8	45.0	-3.3		-7.3	Columbus Traditional
52.0	57.4	-5.4		-9.4	Detroit
36.0	30.5	5.6		18.3	Oklahoma City
30.7	41.6	-11.0	***	-26.4	Portland

SOURCE and NOTES: See Table 7.2.

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Table 7.4

Program Impacts on Total Income and Poverty

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Average combined income in year 2 (\$)[a]			
Atlanta Labor Force Attachment	3833	7740	7549	191	2.5
Atlanta Human Capital Development	3881	7784	7549	235	3.1
Grand Rapids Labor Force Attachment	3012	7443	7746	-303 **	-3.9
Grand Rapids Human Capital Development	2997	7655	7746	-91	-1.2
Riverside Labor Force Attachment	6726	7516	7874	-358 ***	-4.6
Lacked high school diploma or basic skills	3125	7175	7768	-593 ***	-7.6
Riverside Human Capital Development	3135	7149	7768	-619 ***	-8.0
Columbus Integrated	4672	8291	8332	-41	-0.5
Columbus Traditional	4729	8361	8332	29	0.3
Detroit	4459	8992	8892	101	1.1
Oklahoma City	8677	5101	5238	-137	-2.6
Portland	5547	8348	8110	238	2.9
		Percentage at or above poverty level in year 2 (%)[b]			
Atlanta Labor Force Attachment	3833	14.5	12.9	1.6	12.5
Atlanta Human Capital Development	3881	14.8	12.9	2.0 *	15.2
Grand Rapids Labor Force Attachment	3012	14.6	13.5	1.2	8.6
Grand Rapids Human Capital Development	2997	13.8	13.5	0.3	2.1
Riverside Labor Force Attachment	6726	17.6	16.5	1.0	6.1
Lacked high school diploma or basic skills	3125	13.8	13.6	0.2	1.2
Riverside Human Capital Development	3135	13.8	13.6	0.2	1.4
Columbus Integrated	4672	20.8	20.7	0.0	0.2
Columbus Traditional	4729	21.0	20.7	0.3	1.4
Detroit	4459	17.2	15.9	1.2	7.8
Oklahoma City	8677	7.7	7.2	0.5	7.0
Portland	5547	20.6	16.6	4.0 ***	24.2

SOURCES: MDRC calculations from unemployment insurance (UI) earnings records and AFDC and Food Stamp records.

NOTES: See Table 7.1.

[a] "Combined income" includes income from earnings, AFDC, and Food Stamps.

[b] This measure is based on combined income from earnings, AFDC, and Food Stamps. It is not the official estimate of poverty, because it includes Food Stamps, which are left out of official poverty estimates, and excludes other sources of income that are typically counted.

LFA and HCD and Portland achieved positive gains of 2.5 to 3.1 percent ($191 to $238), but these differences were not statistically significant.

Did including estimated Earned Income Tax Credit (EITC) receipt increase program effects on combined income?

The EITC is an important source of income for low-income families. As of 1996, EITC provided up to a 40 percent credit on dollars earned, with a maximum credit of $3,556.[8] Except in Portland, adding an estimate of EITC had little effect on program impacts on combined income, presented in the previous section.[9] For control group members across all seven sites estimated EITC in year 2 amounted to between $292 to $621, with a median of $466 (not shown). As discussed earlier, most programs had earnings gains in year 2. Programs achieved smaller increases in EITC that ranged from $37 to $88. Portland achieved the largest impacts on EITC, amounting to $188. Oklahoma City lowered EITC by $17 in year 2, although this estimate was not statistically significant.

Although impacts on EITC were relatively small, two programs increased this new measure of combined income (EITC, earnings, AFDC, and Food Stamps) by a statistically significant amount. Including estimated EITC raised year 2 combined income in Atlanta HCD and Portland by 3.7 and 4.9 percent ($295 and $425), respectively. In addition, the decrease in combined income in Grand Rapids LFA was smaller and no longer statistically significant when EITC was included.

Did any program increase individuals' total income at the end of two years?

Most programs did not increase individuals' total income, as measured with survey data two years after study entry.[10] Atlanta HCD and Portland achieved some success (not statistically significant). Regardless of the approach, however, increases in earnings were largely offset by decreases in welfare payments for program group members across all programs. Programs also had little effect on other sources of income. Thus, most of them did not make program group members financially better off than they would have been without a welfare-to-work program, perhaps because the two-year mark is not long enough for earnings gains to exceed welfare reductions.

More specifically, as shown in Table 7.2, control group members received, on average, between $669 (Atlanta) and $860 (Riverside LFA) in the last month of follow-up — equivalent to a yearly income of between $8,028 and $10,320 — from all sources of income.[11] Five programs produced small gains, ranging from $15 (Columbus Traditional) to $30 (Atlanta HCD). Portland achieved the largest gain, an average of $57. Only the increase in Atlanta HCD was statistically significant, however.[12]

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[8] See U.S. Congress, 1996, p. 805.

[9] Actual EITC payments are unavailable from administrative records. They are estimated based on earnings in year 2 and follow the rules for calculating EITC levels based on the tax year in which quarter 8 occurred for each sample member. EITC payments are also based on an 80 percent take-up rate (see Scholz, 1996). Program and control groups are assumed to have the same take-up rate, although the actual rates may have differed between these groups. These estimates also assume that the credit is received in the same year as opposed to the following year.

[10] The survey directly asked about income from regular or odd jobs, Food Stamps, AFDC, child support, alimony, Women, Infant, and Children Nutrition Program (WIC), Supplemental Security Income (SSI), Social Security, unemployment insurance, worker's compensation, General Assistance, Refugee Assistance, foster child payments, any money from family or friends outside the household to help pay living expenses, and other sources of income. Estimated Earned Income Tax Credit (EITC) payments are *not* included in this measure.

[11] Estimates include imputed values for sources of income that were missing.

Similar impacts were also found when average EITC receipts and out-of-pocket child care payments (a reduction of income) were included to estimate respondents' total net income.[13] The only exception was that the program-control difference in Atlanta HCD was no longer statistically significant.

How did both approaches affect the various components of recipients' income?

Neither approach changed the composition of individuals' income from sources other than earnings, AFDC payments, and Food Stamps to any extent. Further, no program increased receipt of child support payments or SSI.

In most sites control group respondents received between 3 and 4 percent of their total income from child support payments. SSI payments constituted another 2 to 4 percent, on average. WIC and money from relatives or friends outside the household each contributed about 1 to 2 percent to total income. Alimony, foster care payments, Social Security, General Assistance, unemployment insurance, worker's compensation, and Refugee Assistance constituted less than 1 percent of control group respondents' total income in most sites. As noted, the composition of income from sources other than earnings, AFDC payments, and Food Stamps for program group members' was similar to that of control group members.

According to survey responses, none of the programs successfully increased the proportion of individuals who received child support payments (not shown). Between 11 percent (Riverside LFA) and 22 percent (Grand Rapids) of control group respondents received child support payments in the last month of follow-up. Riverside LFA and Detroit actually decreased the proportion of individuals receiving these payments by 3 and 5 percentage points, respectively. Moreover, Atlanta LFA program group respondents received nearly $9 less in child support payments in the last month of follow-up than control group respondents.

Welfare programs in the evaluation also did not increase the use of SSI for respondents. This finding is of interest because shifting recipients who suffer from a chronic illness or disability from AFDC to the federally funded SSI program may become increasingly more common under TANF. Only a small proportion of control group respondents, however, received SSI payments at the end of two years — between 2.2 percent (Portland) and 7.3 percent (Grand Rapids and Detroit). No program increased the incidence of SSI receipt. In fact, Detroit decreased the proportion of program group respondents receiving SSI by 4.4 percentage points.

How effective were the two approaches in increasing total household income at the end of two years?

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[12] These findings are consistent with effects on the administrative records-based measure of combined income from earnings, AFDC, and Food Stamps. In quarter 9 only Atlanta HCD and Portland produced statistically significant increases in this measure ($88 and $86, respectively).

[13] EITC payments are imputed based on reported earnings in the last month of follow-up and an 80 percent take-up rate (see Scholz, 1996). (See footnote 9.) Out-of-pocket child care payments are self-reported and are included to estimate total net income.

Neither approach successfully increased total household income two years after study entry. Portland's approach achieved the largest increases, whereas Oklahoma's education-focused, low enforcement approach produced the largest decreases.

As shown in Table 7.5, in the last month of follow-up total household income for control group respondents ranged from $971 (Atlanta) to $1,442 (Portland) — equivalent to a yearly income of between $11,652 and $17,304.[14] Most programs produced only small changes in household income that amounted to less than a 5 percent difference from what would have happened in the absence of the program.

Specifically, three programs raised household income by $21 (Atlanta HCD) to $54 (Riverside HCD) in the last month of follow-up and one program (Atlanta LFA) had no effect. Another five programs lowered household income by $8 (Columbus Traditional) to $68 (Grand Rapids HCD). Two programs produced larger effects. Oklahoma City *decreased* household income by $133, or 10.2 percent, whereas Portland *increased* household income by $77, or 5.3 percent. None of these estimates was statistically significant, however. Additionally, levels of household income and impacts for all programs were similar when average EITC receipts and out-of-pocket child care payments were included to estimate household net income.

As also shown in Table 7.5, no program increased individuals' total income as a percentage of their total household income. In all sites sample members' total income accounted for the majority of their total household income. Between 65 percent (Oklahoma City) and 81 percent (Detroit) of control group members' total household income came from their own income.

Did either approach reduce poverty during the second year of follow-up?

Most programs produced little to no reductions in poverty.[15] As expected, programs that raised income also had some success in reducing poverty; accordingly, Portland and Atlanta HCD lifted some families out of poverty in the second year of follow-up. Three other programs slightly increased the proportion of families above the poverty level when an estimate of EITC was added to combined income from earnings, AFDC, and Food Stamps. At the same time, several programs that represented both approaches increased the incidence of people living below 50 percent of the poverty line.

As shown in Table 7.4 and Figure 7.1, in year 2 between 7.2 percent (Oklahoma) and 20.7 percent (Columbus) of control group members had combined income from earnings, AFDC, and Food Stamps (excluding EITC) that equaled or exceeded the poverty level. The median control group outcome (Detroit) was 15.9 percent. Only Atlanta HCD and Portland brought a statistically significant proportion of sample members out of poverty, producing impacts of 2.0 and 4.0 percentage points, respectively.

In most programs adding an estimate of EITC to the above measure of combined income slightly increased the proportion of families above the poverty level. Across all seven sites between 11 and 26 percent of control group members' income was above the poverty level. The median was 19 percent. Three of the four employment-focused programs (Atlanta LFA, River-

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[14] Estimates include imputed values (based on mean substitution) for sources of income that were missing.

[15] Comparisons of income levels to poverty are approximate. Official poverty estimates do not include Food Stamps and EITC but include sources of income and expenditures unavailable to this analysis.

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Table 7.5

Program Impacts on Total Household Income in the Last Month of Follow-Up

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Total measured household income ($)[a]			
Atlanta Labor Force Attachment	1890	972	971	0.1	0.0
Atlanta Human Capital Development	2199	992	971	21.0	2.2
Grand Rapids Labor Force Attachment	1158	1325	1356	-30.9	-2.3
Grand Rapids Human Capital Development	1158	1289	1356	-67.7	-5.0
Riverside Labor Force Attachment	1678	1409	1431	-21.6	-1.5
Lacked high school diploma or basic skills	1012	1381	1377	4.7	0.3
Riverside Human Capital Development	1350	1431	1377	53.7	3.9
Columbus Integrated	728	1153	1219	-66.0	-5.4
Columbus Traditional	723	1211	1219	-8.4	-0.7
Detroit	426	1166	1124	42.3	3.8
Oklahoma City	511	1173	1307	-133.4	-10.2
Portland	610	1519	1442	77.0	5.3
		Total respondent income as a percentage of total household income (%)			
Atlanta Labor Force Attachment	1890	81.5	79.4	2.0	2.5
Atlanta Human Capital Development	2199	80.0	79.4	0.5	0.7
Grand Rapids Labor Force Attachment	1158	69.5	69.9	-0.4	-0.5
Grand Rapids Human Capital Development	1158	70.3	69.9	0.4	0.6
Riverside Labor Force Attachment	1678	72.8	71.2	1.6	2.3
Lacked high school diploma or basic skills	10[illegible]2	72.6	72.2	0.4	0.6
Riverside Human Capital Development	1[illegible]0	70.7	72.2	-1.4	-2.0
Columbus Integrated	728	76.3	74.9	1.4	1.8
Columbus Traditional	723	74.0	74.9	-0.9	-1.2
Detroit	426	82.1	81.3	0.8	0.9
Oklahoma City	511	68.0	65.4	2.6	3.9
Portland	610	69.5	70.5	-1.0	-1.4

(continued)

Table 7.5 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
	Total measured household net income ($)[b]				
Atlanta Labor Force Attachment	1890	1005	1003	1.8	0.2
Atlanta Human Capital Development	2199	1020	1003	16.6	1.7
Grand Rapids Labor Force Attachment	1158	1327	1363	-35.5	-2.6
Grand Rapids Human Capital Development	1158	1301	1363	-61.9	-4.5
Riverside Labor Force Attachment	1678	1417	1438	-21.1	-1.5
Lacked high school diploma or basic skills	1012	1392	1386	5.9	0.4
Riverside Human Capital Development	1350	1435	1386	49.1	3.5
Columbus Integrated	728	1181	1249	-67.6	-5.4
Columbus Traditional	723	1242	1249	-7.0	-0.6
Detroit	426	1161	1127	33.9	3.0
Oklahoma City	511	1201	1338	-137.8	-10.3
Portland	610	1532	1453	78.9	5.4

SOURCE and NOTES: See Table 7.2.

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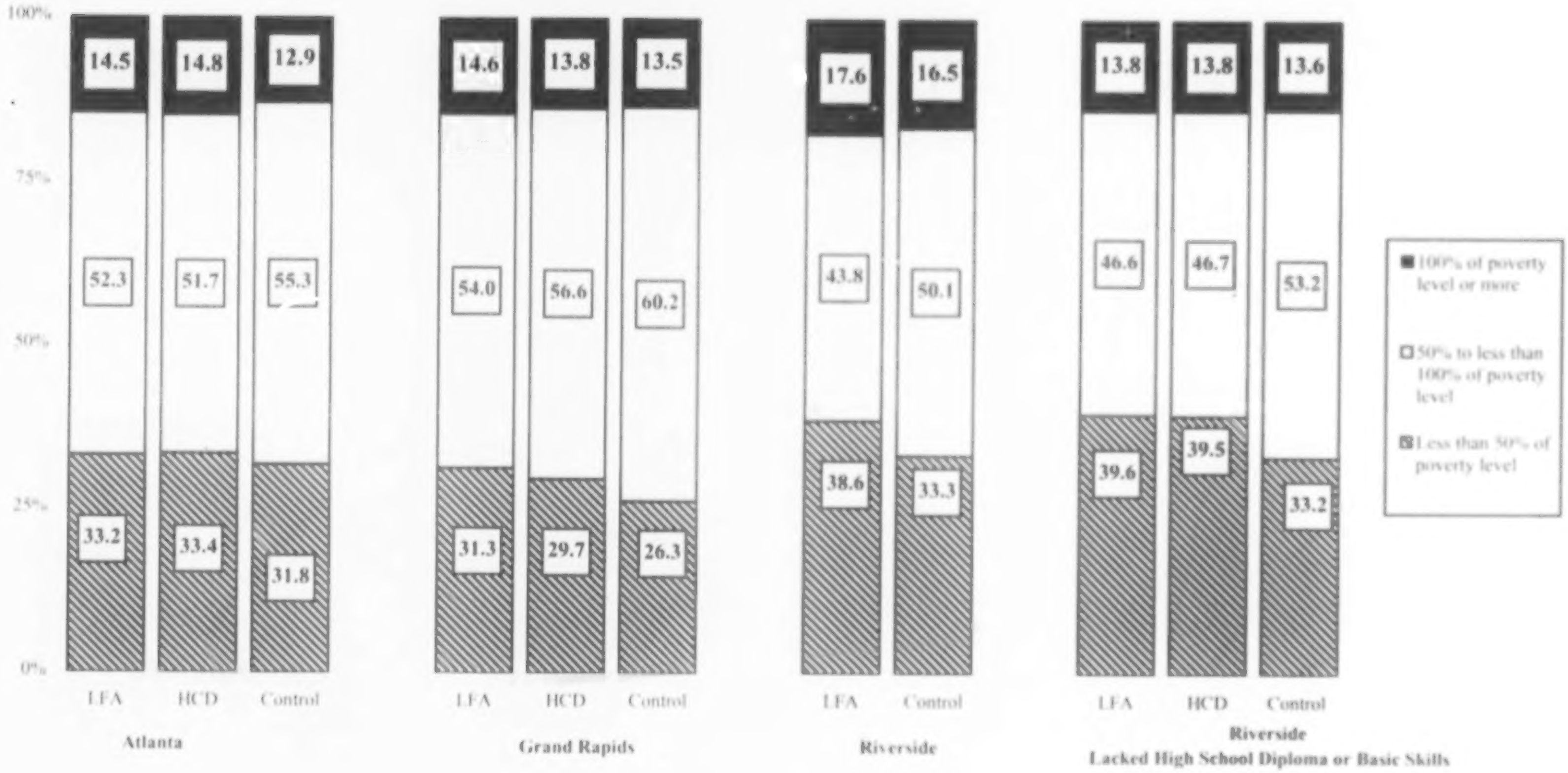
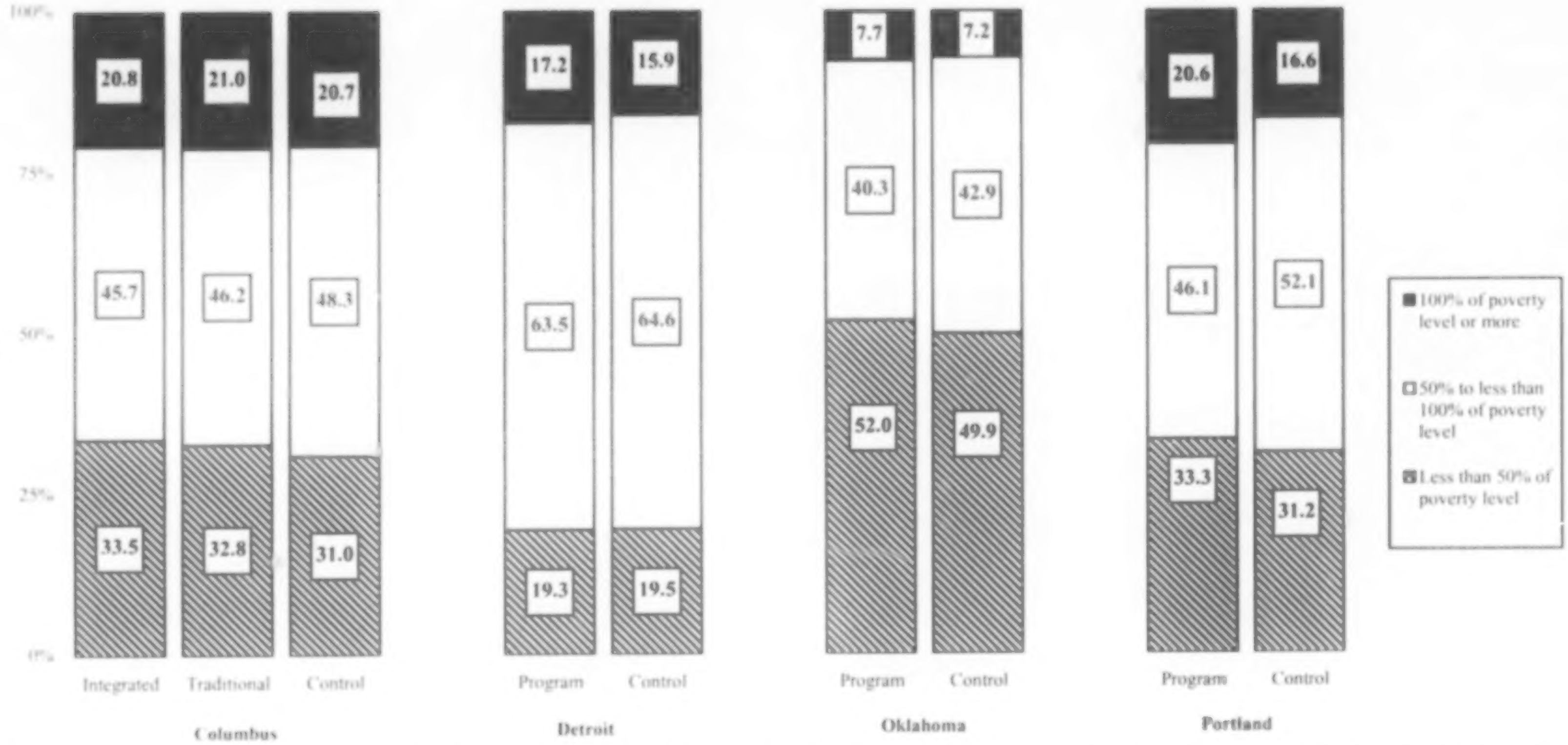
Figure 7.1

Distribution of Sample Members According to Year 2 Combined Income and the Poverty Threshold



(continued)

Figure 7.1 (continued)



SOURCES: MDRC calculations from unemployment insurance (UI) earnings records, AFDC and Food Stamp records, 1996 edition of *Statistical Abstract of the United States* for 1992-1994 poverty levels, and the U.S. Census Bureau home page, http://www.census.gov/hhes/poverty/threshld/thresh95.html and thresh96.html, for 1995 and 1996 poverty levels, respectively.

NOTES: Measures of poverty are based on combined income from earnings, AFDC, and Food Stamps. They are not the official estimates of poverty, because they include Food Stamps, which are left out of official poverty estimates, and exclude other sources of income that are typically counted.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums.

side LFA, and Portland) and two education-focused program (Atlanta HCD and Detroit) lifted some families above poverty in the second year of follow-up. Impacts in four of these programs were small, however, amounting to less than 3 percentage points. Portland was more successful, increasing the proportion of families with income above poverty by more than 7 percentage points.

At the same time, no program in the evaluation succeeded in reducing the proportion of sample members in severe poverty — defined here as having year 2 combined income (excluding estimated EITC) below half the poverty line. In fact, six programs increased this proportion. Across all sites the proportion of control group members with year 2 combined income below half the poverty line ranged from one-fifth (Detroit) to one-half (Oklahoma City), with a median outcome of about one-third. (See Figure 7.1.) Impacts for these six programs were between 2.1 and 6.3 percentage points. Atlanta HCD and Portland also slightly increased this proportion, but the differences were not statistically significant. Adding EITC to combined income did not affect these estimates.

If additional sources of income are included, did either approach move families out of poverty at the end of two years?

Even if additional sources of income are taken into account (as measured from survey responses), only two employment-focused programs (Portland and Riverside LFA) achieved some success in moving families out of poverty at the end of two years. As shown in Table 7.2, between 20 percent (Atlanta) and 31 percent (Grand Rapids) of control group respondents had a *net income* at or above the poverty level at the end of two years.[16] Riverside LFA and Portland lifted some families out of poverty, boosting the proportion of program group respondents who escaped poverty by 6.1 and 6.4 percentage points, respectively.[17] (The impact in Portland was just above the 10 percent level of statistical significance.) Impacts for other programs ranged from -0.6 percentage points (Oklahoma City) to 4.5 percentage points (Columbus Traditional) but were not statistically significant.

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[16] The estimate of total net income includes average EITC receipts and out-of-pocket child care payments.

[17] The Riverside LFA program did not increase individuals' net income but did boost some families out of poverty. This apparent contradiction indicates that the program increased income for some, while decreasing income for others.

Chapter 8

Impacts on Health Care Coverage and Other Noncash Benefits

This chapter looks at how employment- and education-focused programs affected several noncash benefits, including health care coverage, school food programs, and housing and energy assistance. It presents program impacts on health care coverage and the use of Transitional Medicaid and also explains how programs that successfully moved individuals from welfare to work can affect coverage for recipients and children. The chapter also discusses the extent to which sample members relied on other noncash benefits and whether programs affected participation in school food programs and receipt of housing and energy assistance.

Noncash benefits such as Transitional Medicaid can act as important employment supports that help families make the transition from welfare to work. These benefits are a key component of a comprehensive welfare-to-work strategy and are particularly important under time-limited welfare. To become self-sufficient, recipients must not only find jobs, but must also keep them. These benefits may make it worthwhile for individuals to accept low-wage and less stable jobs in order to gain entry into the labor market. They may also enable individuals to survive on low wages and keep families from returning to welfare. As shown in the previous chapter, recipients who leave welfare often experience few, if any, financial gains from working. Their total income may not be enough to support a family, which may limit their ability to make ends meet. Noncash benefits can supplement recipients' earnings and ensure that families' basic safety, health, and housing needs are met.

I. Key Questions

- How did both employment- and education-focused approaches affect health care coverage for recipients and their children at the end of two years?
- Why did some programs that successfully moved individuals from welfare to work decrease health care coverage?
- Did both approaches increase the use of Transitional Medicaid during the two-year follow-up period?
- How did both approaches affect individuals' reliance on noncash benefits such as school food programs and housing and energy assistance?

II. Analysis Issues

All impacts discussed in this chapter were estimated from survey responses. The most complex measures presented below concern medical insurance coverage for sample members and their children. For this analysis a sample member was considered to be covered if she reported having medical insurance from any source during the month before interview. In addition, coverage was inferred for about 4 percent of the survey sample who indicated no coverage for the month before interview but did report working for an employer who provided health insurance. Persons reporting receipt of AFDC or SSI in the month before interview were also considered to be covered (by Medicaid), even if they indicated no coverage. Similarly, sample members' children were considered to be covered if sample members indicated that *all* of their children had coverage or reported receiving AFDC or SSI. It was not assumed that employer-provided coverage extended to sample members' children. Note that all program impacts discussed in this chapter are statistically significant unless otherwise noted.[1]

Employment- and education-focused approaches may have somewhat different effects on health care coverage under certain circumstances. Strongly employment-focused programs that stress working at any available job may produce large losses in coverage because the jobs may not provide health insurance. (This problem may be worse in states that have low AFDC grants and full-time jobs provide high enough earnings to make the recipient ineligible for assistance and automatic coverage under Medicaid.) Losses in coverage may not occur if recipients advance into jobs that provide coverage or if programs encourage the use of Transitional Medicaid. In contrast, education-focused programs intend to increase employment in better jobs that may be more likely to offer health insurance. These programs may therefore be less likely to decrease coverage. In addition, programs that have high sanction rates or for other reasons encourage recipients to leave AFDC without employment may also produce large reductions in coverage levels.

Employment- and education-focused approaches are less likely to differ in their effects on other noncash benefits discussed in this chapter, except insofar as these programs affect income and poverty. Programs that successfully raise income and lift families out of poverty are likely to decrease respondents' reliance on these supports. As recipients start to work and their earnings begin to rise, families may not need further assistance or they may lose benefits or no longer meet program eligibility requirements. In contrast, programs that boost employment but do not make respondents financially better off may increase respondents' use of noncash benefits. The additional support may allow them to continue to work and to survive on low wages. As discussed in the previous chapter, however, most programs had little effect on income and poverty.

III. Key Findings

- Several programs decreased health care coverage for adults and children at the end of two years. Coverage rates for program group respondents *and* children combined dropped by 3.9 percentage points (Riverside LFA) to 10.9 percentage points (Oklahoma City) compared with control group levels.

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[1] This measure may overstate employer-provided coverage for sample members. The survey asked if employers offered medical insurance, but did not ask whether sample members accepted it. On the other hand, coverage may be underestimated for some other sample members. Coverage was not assumed when sample members met none of the criteria discussed above but reported incomes low enough to qualify their children for Medicaid or themselves and their children for some state-provided medical insurance plans such as the Oregon Health Plan. Note that beginning in 1986 Medicaid coverage was extended to groups of children and to pregnant woman not enrolled in AFDC. Persons who are eligible under these circumstances have to apply for coverage, however, and would be expected to remember that they had done so. Finally, the survey asks about receipt of Transitional Medicaid for those who left AFDC for employment. The chapter discusses program-control group differences in take-up rates for Transitional Medicaid, but the measure is not used to construct the indicators of medical coverage for the month before interview. Receipt of Transitional Medicaid is measured at any time during the follow-up and lasts up to 12 months; therefore, it could not be assumed that recipients were still covered at the two-year point.

- Decreases in health care coverage generally resulted from programs' success in increasing employment and welfare exits. Although many program group respondents who left welfare (and automatic Medicaid coverage) found jobs that provided health insurance or alternative sources of coverage, others were not able to replace the coverage they had under Medicaid.
- Both employment- and education-focused approaches increased Transitional Medicaid use during the follow-up period, by 3 to 15 percentage points, compared with control group levels. These increases in Transitional Medicaid use did not completely offset the loss of health coverage at the end of two years because of welfare departures. There are some indications that Transitional Medicaid could have been used more extensively, so that the decrease in coverage could have been smaller.
- Neither welfare-to-work approach decreased the proportion of individuals who relied on school food programs and on housing and energy assistance. A substantial proportion of all sample members in all sites depended upon these supports to help meet their basic needs.

In the absence of any welfare-to-work programs, how many recipients and children had some type of health care coverage at the end of two years?

At random assignment, in every program except Oklahoma City (where unapproved welfare applicants were included in the sample), all respondents and their children had health care coverage because they were receiving AFDC and were automatically covered under Medicaid. At the end of two years, coverage rates for both program and control group respondents decreased as some recipients left welfare and did not replace the coverage they had under Medicaid with coverage from employers or other sources.

As shown in Table 8.1, in the absence of any welfare-to-work programs between 71 percent (Oklahoma City) and 92 percent (Detroit) of control group respondents reported having some type of health care coverage (employer-provided, Medicaid, or other) for themselves at the end of two years. The median rate across all sites was 86 percent. As also shown, about the same proportion of control group respondents had health care coverage for all children in their household.

Not surprisingly, somewhat fewer control group respondents had coverage for *themselves and all children* in their household. Combined rates of health coverage among the control groups ranged from 80 percent (Grand Rapids) to 88 percent (Detroit) in all sites except Oklahoma City, where only 68 percent had coverage for themselves and all dependent children.

How did the employment- and education-focused approaches affect health care coverage for recipients and their children at the end of two years?

Several programs decreased health care coverage for adults and children at the end of two years. Program group members in four programs (Columbus Integrated, Oklahoma City, Riverside LFA, and Portland) were less likely to have health care coverage for themselves and their children than control group members. Notably, all four of these programs successfully reduced welfare receipt at the end of two years, according to survey data. Three of these programs (excluding Oklahoma City) also produced employment gains at the end of the follow-up period. The remaining seven programs generally did not affect coverage rates.

For the most part losses in coverage for respondents and for children followed a similar pattern. As shown in Table 8.1, Columbus Integrated reduced health care coverage rates for respondents by 5.2 percentage points. Coverage rates for respondents dropped by 3.3 percentage points (not statistically significant) in Portland, Grand Rapids LFA, and Oklahoma City.

Columbus Integrated, Portland, Oklahoma City, and Riverside LFA also lowered health care coverage for respondents' dependent children and for respondents *and* children combined. Reductions for children ranged from 3.3 percentage points (Riverside LFA) to 9.0 percentage points (Oklahoma City). Differences in coverage rates for respondents *and* children combined were even larger. Oklahoma City lowered combined coverage by nearly 10.9 percentage points, followed by Columbus Integrated (7.1 percentage points) and Portland (5.1 percentage points). (Program-control differences in Portland were just above the 10 percent level of statistical significance.)

Did loss of coverage result from recipients leaving welfare without employment?

None of the 11 programs decreased health care coverage among program group respondents who were no longer receiving welfare benefits and not employed. Between 10.2 percent (Atlanta) and 16.9 percent (Oklahoma City) of control group respondents neither worked for pay nor received welfare at the end of two years. (See row 8 in Appendix Table B.1.) According to survey data, only Riverside LFA and Oklahoma City increased the proportion of sample members who fell into this category, by 3.4 and 7.9 percentage points, respectively. In both of these programs program group respondents who were off AFDC and not employed had coverage rates for themselves *and* their children that were comparable to those of control group respondents in this situation. (See row 10 in Appendix Table B.1.) Thus, decreases in overall coverage rates were generally not due to lower coverage rates among recipients who left welfare without employment.

Why did some programs that successfully moved individuals from welfare to work decrease health care coverage?

Decreases in health care coverage generally resulted from these programs' success in increasing employment and welfare exits. (As discussed above, programs did not decrease coverage among those who left AFDC and were not working.) Importantly, programs that produce employment or welfare effects can simultaneously increase the percentage of sample members who become employed *and* replace the coverage they had under Medicaid, while decreasing the *overall* percentage who have health care coverage. As shown below, if a program decreases AFDC receipt and automatic coverage under Medicaid to a larger degree than it increases health care coverage from employers or other sources, the net effect is an overall decrease in health care coverage.

These counterbalancing effects explain the net decrease in coverage in Portland and Columbus Integrated and, to a lesser extent, Riverside LFA. At the end of two years these three programs decreased AFDC receipt (and automatic eligibility for Medicaid) by 8.8 percentage points (Riverside LFA) to 14.0 percentage points (Portland) compared with control group levels. (See row 4 in Appendix Table B.1.) For no loss of coverage to occur these programs would need to offset these reductions with a similar increase in the proportion of respondents who obtain coverage from a different source such as their employer or Transitional Medicaid, which is available for up to one year to those who leave AFDC for employment.

Many program group respondents who left welfare and lost automatic coverage under Medicaid did obtain coverage from a different source. In fact, these three programs increased the percentage of respondents who were off AFDC and had coverage for both respondents *and* children by 4.9 percentage points (Riverside LFA) to 8.9 percentage points (Portland) compared with control group respondents. (See rows 6 and 9 in Appendix Table B.1.) Nearly all of this replacement of coverage occurred because programs increased the proportion of respondents who were off AFDC, *employed*, and had coverage from their job or other sources.[2] Not all of those who left welfare for work, however, were able to replace the coverage they had under Medicaid.[3]

This pattern is most clearly illustrated in Portland. At the end of two years 56.3 percent of program group respondents had left welfare and lost automatic coverage under Medicaid — a potential 14.0 percentage point decrease in coverage compared with control group levels. (See row 4 in Appendix Table B.1.) The Portland program increased the proportion of respondents who left welfare and obtained coverage from a different source by 8.9 percentage points. (See rows 6 and 9.) Most of the replacement in coverage was due to increases in the proportion of respondents who were off AFDC, *employed*, and had coverage (a gain of 8.4 percentage points). The gap between the 14.0 percentage point drop in coverage from leaving welfare and the 8.9 percentage point increase in coverage from employers or other sources represents the overall 5.1 percentage point loss (just above the 10 percent level of statistical significance) in health coverage for respondents and children at the end two years.

The dynamics are somewhat different in Oklahoma City, which produced smaller impacts on welfare receipt and no impacts on employment; it decreased health care coverage only for dependent children at the end of two years, perhaps because a greater proportion of program group respondents than control group respondents were off AFDC and employed in jobs that provided coverage only for themselves but not for their children.

Did either approach increase the use of Transitional Medicaid during the two-year follow-up period?

Both employment- and education-focused programs increased the use of Transitional Medicaid during the follow-up period. As discussed below, higher take-up rates by programs group members resulted from different combinations of two factors: increased eligibility and increased use among those who were eligible.

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[2] In Riverside LFA, the decrease in coverage was limited to children because program group respondents most likely found jobs that provided coverage for themselves but not for their dependents.

[3] Two of these programs (Columbus Integrated and Portland), as well as Oklahoma City, which is discussed later, produced a statistically significant increase in the percentage of sample members who left welfare for work and *did not* have health care coverage. (See row 7 in Appendix Table B.1.)

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Table 8.1

Program Impacts on Health Care Coverage at the End of Two Years

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Respondent has health care coverage (%)			
Atlanta Labor Force Attachment	1890	83.6	86.0	-2.4	-2.8
Atlanta Human Capital Development	2199	83.8	86.0	-2.2	-2.6
Grand Rapids Labor Force Attachment	1158	82.8	86.0	-3.3	-3.8
Grand Rapids Human Capital Development	1158	84.3	86.0	-1.7	-2.0
Riverside Labor Force Attachment	1678	85.6	87.3	-1.8	-2.0
Lacked high school diploma or basic skills	1012	87.2	87.5	-0.3	-0.3
Riverside Human Capital Development	1350	86.7	87.5	-0.8	-0.9
Columbus Integrated	728	79.8	85.0	-5.2 *	-6.1
Columbus Traditional	723	85.9	85.0	0.8	1.0
Detroit	426	91.1	92.0	-0.9	-1.0
Oklahoma City	511	67.7	70.9	-3.3	-4.6
Portland	610	87.1	90.4	-3.3	-3.7
		All dependent children have health care coverage (%)			
Atlanta Labor Force Attachment	1890	86.1	85.6	0.5	0.5
Atlanta Human Capital Development	2199	84.8	85.6	-0.8	-1.0
Grand Rapids Labor Force Attachment	1158	84.3	85.7	-1.4	-1.7
Grand Rapids Human Capital Development	1158	86.2	85.7	0.5	0.6
Riverside Labor Force Attachment	1678	85.1	88.4	-3.3 **	-3.7
Lacked high school diploma or basic skills	1012	85.4	88.8	-3.4 *	-3.8
Riverside Human Capital Development	1350	88.1	88.8	-0.7	-0.8
Columbus Integrated	728	80.1	86.3	-6.3 **	-7.2
Columbus Traditional	723	86.6	86.3	0.2	0.3
Detroit	426	90.3	90.9	-0.6	-0.6
Oklahoma City	511	63.5	72.5	-9.0 **	-12.4
Portland	610	83.7	88.6	-4.8	-5.5

(continued)

Table 8.1 (continued)

Program Group	Control Group	Difference (Impact)	Percentage Change (%)	Site and Program
Repondent and all children have health care coverage (%)				
79.8	80.7	-0.9	-1.1	Atlanta Labor Force Attachment
79.7	80.7	-1.0	-1.2	Atlanta Human Capital Development
77.3	80.4	-3.1	-3.9	Grand Rapids Labor Force Attachment
79.3	80.4	-1.1	-1.4	Grand Rapids Human Capital Development
80.8	84.7	-3.9 **	-4.6	Riverside Labor Force Attachment
81.8	85.4	-3.6 *	-4.3	Lacked high school diploma or basic skills
83.3	85.4	-2.1	-2.5	Riverside Human Capital Development
73.8	80.9	-7.1 **	-8.7	Columbus Integrated
81.8	80.9	1.0	1.2	Columbus Traditional
87.7	88.3	-0.6	-0.7	Detroit
56.7	67.6	-10.9 **	-16.1	Oklahoma City
80.5	85.6	-5.1	-5.9	Portland

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Health care coverage is the percentage covered by Medicaid, Medicare, or private medical insurance.

Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage difference" equals 100 times the "difference" divided by the "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Recipients who are employed and off welfare are eligible for Transitional Medicaid, which extends health care coverage to respondents and their children for up to one year. Recipients who are eligible, however, do not automatically receive transitional benefits; they must request these benefits and then caseworkers must approve them.[4]

As a result, take-up rates varied widely by site. As shown in Table 8.2, between 10.1 percent (Detroit) and 25.3 percent (Grand Rapids) of all control group respondents reported being covered by Transitional Medicaid at some point during the follow-up period. Among those who were eligible for benefits, between 47.7 percent (Detroit) and 69.9 percent (Grand Rapids) of control group respondents reported using these benefits. The median take-up rate across all sites among those who were eligible was 60 percent.

As also shown, most programs increased the use of Transitional Medicaid among all sample members. In five programs program group respondents were more likely use these benefits during the follow-up period than control group respondents, by 3.1 percentage points (Atlanta LFA) to 8.1 percentage points (Riverside LFA). Portland and Columbus Integrated produced even larger gains that amounted to 12.9 and 14.5 percentage points, respectively.

Different combinations of two factors were responsible for expanding the use of Transitional Medicaid. In four of these seven programs, higher take-up rates resulted from increased eligibility *and* increased use among those who were eligible. In contrast, in Atlanta and Grand Rapids LFA higher take-up rates were mainly generated by gains in eligibility, and in Columbus Traditional by increased use among those who were eligible.

More specifically, as shown in panel A of Table 8.2, six of the seven programs (excluding Columbus Traditional) increased eligibility, that is, the percentage of recipients who were employed and off welfare and therefore eligible for Transitional Medicaid benefits. Two programs produced nearly a 5 percentage point gain, and four programs increased eligibility by 9.7 percentage points (Riverside LFA) to 14.1 percentage points (Columbus Integrated).

Four of the seven programs, as well as Columbus Traditional, increased the use of transitional benefits among those who were eligible. As shown in the nonexperimental analysis in panel B of Table 8.2, in these five programs program group respondents who were employed and off welfare were more likely to report being covered by Transitional Medicaid than their control counterpoints, by 9.2 percentage points (Riverside LFA) to 16.7 percentage points (Columbus Integrated). In the other two programs about the same (Atlanta LFA) or somewhat fewer (Grand Rapids LFA) eligible program group respondents used Transitional Medicaid than control group respondents.[5] It is also noteworthy that Oklahoma City substantially *decreased* the use of these benefits among those who were eligible.

What role did Transitional Medicaid play in the overall decrease in health care coverage experienced by individuals in some programs at the end of two years?

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[4] Recipients who find jobs and stop communicating with caseworkers forgo transitional coverage. Caseworkers close these cases, and recipients are therefore not eligible for the benefits. Further, if recipients find a job, caseworkers may close their case so that they do not have to track these persons or fill out additional paperwork.

[5] Thus, the larger impacts for the full sample in Columbus Integrated (14.5 percentage points) than in Columbus Traditional (7.7 percentage points) were primarily due to employment gains in the former program. In both programs a similar percentage of program group respondents who were eligible for benefits used them.

As evident from the discussion above, increases in the use of Transitional Medicaid did not completely offset losses in health coverage at of the end of two years because of welfare departures. While there is some indication that Transitional Medicaid lessened the decrease, other evidence suggests that these benefits could have been used more extensively, so that the decrease in coverage would have been smaller.

As described above, increases in Transitional Medicaid use clearly show that it helped some recipients and children retain health care coverage during the follow-up period. It is more difficult, however, to determine its role at the end of two years because sample members reported only whether they had *ever* used Transitional Medicaid during the follow-up. As mentioned, individuals who were off AFDC, employed, and had health coverage had to replace the coverage they lost from Medicaid with coverage from their employer, Transitional Medicaid, or another source. Those who were not able to replace the coverage they had under Medicaid may have never received transitional benefits or may have exhausted or not restarted these benefits if they lost a job and then started a new one.

Most likely in the Columbus Integrated program many recipients who were employed and off welfare replaced the coverage they lost under Medicaid with coverage from Transitional Medicaid. Columbus Integrated raised the percentage of respondents who were employed, off welfare, and had coverage from Transitional Medicaid and not from a job by 3.3 percentage points (statistically significant, not shown) compared with control group levels. This impact accounts for more than 70 percent of the increase in the proportion of respondents who were employed, off AFDC, and had coverage.[6]

At the same time, in Portland and Oklahoma City Transitional Medicaid could have been used more frequently to prevent some recipients and children from losing coverage. In these programs program group respondents who were employed and off AFDC and *did not* have coverage for themselves and their children were more likely to have *never* received Transitional Medicaid than their control group counterparts, by 4.0 percentage points (Portland) and 6.2 percentage points (Oklahoma City; statistically significant, not shown). In these two programs more than half of the decrease in coverage among those who were employed and off welfare was due to fewer program group respondents receiving Transitional Medicaid than control group respondents.[7]

In addition, between 4 and 6 percent of program group respondents in most sites were employed, off welfare, and did not have coverage but *had* received Transitional Medicaid at some point during the follow-up. These respondents either exhausted or did not restart their

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[6] Columbus Integrated increased the percentage of respondents who were employed and off AFDC and had some type of coverage for themselves and their children by 4.6 percentage points. (See row 6 in Appendix Table B.1.) As stated, there was a 3.3 percentage point increase in the proportion of these respondents who had coverage, most likely from Transitional Medicaid, at the end of two years. Dividing 3.3 by 4.6 yields 71.7 percent.

[7] In Portland, program group respondents who were employed and off welfare were more likely to not have coverage than control group respondents, by 7.0 percentage points (statistically significant). Program group respondents who were employed and off welfare were also more likely to have *never* received Transitional Medicaid by 4.0 percentage points. Thus, about 57 percent (4.0 percentage points divided by 7.0 percentage points) of the decrease in coverage among this group was due to fewer program group respondents never receiving Transitional Medicaid than control group respondents. In Oklahoma City over 82 percent of the decrease in coverage among those employed and off welfare can be accounted for similarly.

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Table 8.2

Program Impacts on Transitional Medicaid Benefits

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. All Respondents			
Ever employed and off welfare during follow-up (%)					
Atlanta Labor Force Attachment	1890	34.1	29.3	4.8 **	16.2
Atlanta Human Capital Development	2199	30.4	29.3	1.1	3.8
Grand Rapids Labor Force Attachment	1158	47.6	36.2	11.4 ***	31.5
Grand Rapids Human Capital Development	1158	39.7	36.2	3.5	9.6
Riverside Labor Force Attachment	1678	28.2	18.5	9.7 ***	52.5
Lacked high school diploma or basic skills	1012	21.7	13.5	8.2 ***	61.0
Riverside Human Capital Development	1350	18.0	13.5	4.5 **	33.4
Columbus Integrated	728	45.5	31.4	14.1 ***	44.9
Columbus Traditional	723	36.4	31.4	5.0	15.9
Detroit	426	23.4	21.2	2.2	10.2
Oklahoma City	511	39.1	38.3	0.8	2.1
Portland	610	47.7	37.3	10.4 **	27.8
Ever covered by transitional medicaid during follow-up (%)					
Atlanta Labor Force Attachment	1890	20.8	17.7	3.1 *	17.5
Atlanta Human Capital Development	2199	20.0	17.7	2.3	12.8
Grand Rapids Labor Force Attachment	1158	32.3	25.3	7.0 ***	27.7
Grand Rapids Human Capital Development	1158	26.8	25.3	1.5	6.1
Riverside Labor Force Attachment	1678	18.5	10.4	8.1 ***	77.4
Lacked high school diploma or basic skills	1012	14.2	8.0	6.2 ***	78.2
Riverside Human Capital Development	1350	12.6	8.0	4.7 **	58.5
Columbus Integrated	728	29.9	15.4	14.5 ***	94.1
Columbus Traditional	723	23.2	15.4	7.7 **	50.2
Detroit	426	14.3	10.1	4.2	41.5
Oklahoma City	511	19.7	23.4	-3.7	-15.7
Portland	610	37.2	24.3	12.9 ***	52.9

(continued)

Table 8.2 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. Those Ever Off Welfare and Employed				
				Ever covered by transitional medicaid while employed (%)
61.0	*60.3*	*0.7*	*1.1*	Atlanta Labor Force Attachment
65.5	*60.3*	*5.2*	*8.7*	Atlanta Human Capital Development
67.9	*69.9*	*-2.0*	*-2.9*	Grand Rapids Labor Force Attachment
67.6	*69.9*	*-2.3*	*-3.3*	Grand Rapids Human Capital Development
65.6	*56.4*	*9.2*	*16.3*	Riverside Labor Force Attachment
65.3	*59.0*	*6.3*	*10.7*	Lacked high school diploma or basic skills
70.1	*59.0*	*11.1*	*18.8*	Riverside Human Capital Development
65.8	*49.2*	*16.7*	*33.9*	Columbus Integrated
63.7	*49.2*	*14.5*	*29.6*	Columbus Traditional
61.3	*47.7*	*13.6*	*28.4*	Detroit
50.4	*61.0*	*-10.6*	*-17.4*	Oklahoma City
78.0	*65.2*	*12.8*	*19.6*	Portland

SOURCE: See Table 8.1.

NOTES: See Table 8.1.

Differences between program group members and control group members (shown in italics) for "Those Ever Off Welfare and Employed" are not true experimental comparisons; statistical tests were not performed.

benefits at the end of two years. Riverside LFA and Columbus Integrated slightly increased the proportion of respondents who were in this situation, by 1.9 percentage points and 3.4, respectively.

Did either approach affect participation in school food programs during the follow-up period?

Neither approach affected participation in school food programs, which allow children to receive meals at their school at a reduced price or for free. The majority of respondents in both the program and control groups in all sites participated in school food programs during the two-year follow-up.

As shown in Table 8.3, between 59.6 percent (Oklahoma City) and 86.2 percent (Atlanta) of control group respondents had at least one child in their household who participated in the federal school breakfast or school lunch program during the two-year follow-up period. The median rate across all sites was 67.1 percent.

In most programs a similar percentage of program and control group respondents relied on school food programs during the two-year follow-up period. Only Atlanta HCD produced an impact, increasing participation among program group respondents by 3.4 percentage points. The high rates of receipt among program group respondents in all programs indicate that recipients depend on these supports to help meet their children's basic needs.

Did either approach affect the extent to which individuals relied on housing assistance at the end of two years?

Neither approach affected the proportion of individuals who relied on housing assistance, which varied considerably across sites. As shown in Table 8.4, 36 percent of control group respondents in Columbus and Portland and 53 percent in Atlanta reported living in public or subsidized housing. Among the other sites the proportion of control group respondents who depended on housing assistance ranged from 11 percent (Detroit) to 22 percent (Oklahoma City).

The type of housing assistance also differed across sites. In four sites about the same percentage of control group respondents lived in public housing as in subsidized housing. In the other three sites more control group respondents depended on public housing than on subsidized housing. In Atlanta and Columbus about one-third of all control group respondents lived in public housing.

Differences between the proportion of respondents in the program and control groups who lived in public housing were negligible. In all but two programs the proportion of program and control group respondents who lived in subsidized housing was also no different. The two exceptions were Atlanta HCD, which *increased* the percentage of program group respondents who lived in subsidized housing at the end of two years by 4.4 percentage points, and Portland, which *decreased* the percentage of program group respondents who lived in subsidized housing by 6.5 percentage points.

Did either approach affect the proportion of individuals who relied on energy assistance during the second year of follow-up?

Neither approach affected the proportion of individuals who relied on energy assistance. The percentage of respondents who reported receiving energy assistance during the second year of follow-up varied across sites. As shown in Table 8.3, in most programs between 20 and 30 percent of control group respondents received help paying for heating and/or cooling costs. In Detroit nearly 40 percent of control group respondents depended up this assistance. Five programs decreased receipt of these benefits during the second year of follow-up by more than 2 percentage points. Only the impact in Grand Rapids HCD, a decrease of 4.2 percentage points, was statistically significant, however.

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Table 8.3

Program Impacts on Receipt of School Food Programs and Energy Assistance

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Ever participated in school food program during follow-up (%)			
Atlanta Labor Force Attachment	1890	87.9	86.2	1.8	2.0
Atlanta Human Capital Development	2199	89.6	86.2	3.4 **	3.9
Grand Rapids Labor Force Attachment	1158	68.3	67.1	1.2	1.8
Grand Rapids Human Capital Development	1158	65.6	67.1	-1.5	-2.2
Riverside Labor Force Attachment	1678	76.3	78.1	-1.8	-2.2
Lacked high school diploma or basic skills	1012	80.8	81.4	-0.7	-0.8
Riverside Human Capital Development	1350	81.9	81.4	0.4	0.5
Columbus Integrated	728	74.2	75.6	-1.4	-1.9
Columbus Traditional	723	74.7	75.6	-0.9	-1.2
Detroit	426	61.4	60.2	1.2	1.9
Oklahoma City	511	57.5	59.6	-2.1	-3.6
Portland	610	64.6	66.1	-1.6	-2.4
		Ever received energy assistance in past year (%)			
Atlanta Labor Force Attachment	1890	18.6	20.1	-1.5	-7.2
Atlanta Human Capital Development	2199	20.9	20.1	0.8	3.9
Grand Rapids Labor Force Attachment	1158	23.5	26.0	-2.5	-9.6
Grand Rapids Human Capital Development	1158	21.7	26.0	-4.2 *	-16.2
Riverside Labor Force Attachment	1678	15.6	17.4	-1.8	-10.4
Lacked high school diploma or basic skills	1012	16.2	15.9	0.3	2.2
Riverside Human Capital Development	1350	17.2	15.9	1.3	8.1
Columbus Integrated	728	32.1	31.2	0.9	2.8
Columbus Traditional	723	33.8	31.2	2.6	8.4
Detroit	426	34.6	39.5	-5.0	-12.6
Oklahoma City	511	23.9	29.8	-6.0	-20.1
Portland	610	22.5	25.6	-3.1	-12.1

SOURCE and NOTES: See Table 8.1.

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Table 8.4

Program Impacts on Receipt of Housing Assistance at the End of Two Years

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Lived in public housing (%)			
Atlanta Labor Force Attachment	1890	34.5	33.1	1.3	3.9
Atlanta Human Capital Development	2199	32.1	33.1	-1.0	-3.1
Grand Rapids Labor Force Attachment	1158	8.8	9.4	-0.7	-7.0
Grand Rapids Human Capital Development	1158	9.8	9.4	0.3	3.4
Riverside Labor Force Attachment	1678	5.9	6.3	-0.4	-6.8
Lacked high school diploma or basic skills	1012	5.9	7.3	-1.4	-19.4
Riverside Human Capital Development	1350	5.3	7.3	-2.1	-28.2
Columbus Integrated	728	28.1	27.6	0.5	1.9
Columbus Traditional	723	27.1	27.6	-0.5	-1.7
Detroit	426	9.4	9.4	0.0	0.5
Oklahoma City	511	12.9	12.6	0.3	2.5
Portland	610	19.6	18.6	1.1	5.8
		Lived in subsidized housing (%)			
Atlanta Labor Force Attachment	1890	20.5	19.4	1.1	5.8
Atlanta Human Capital Development	2199	23.8	19.4	4.4 **	22.7
Grand Rapids Labor Force Attachment	1158	9.9	11.5	-1.6	-14.2
Grand Rapids Human Capital Development	1158	11.0	11.5	-0.5	-4.4
Riverside Labor Force Attachment	1678	7.4	7.9	-0.5	-6.5
Lacked high school diploma or basic skills	1012	7.8	8.3	-0.5	-5.5
Riverside Human Capital Development	1350	7.4	8.3	-1.0	-11.5
Columbus Integrated	728	7.2	8.2	-1.1	-13.2
Columbus Traditional	723	5.7	8.2	-2.5	-30.4
Detroit	426	2.0	1.8	0.2	13.1
Oklahoma City	511	9.3	9.5	-0.3	-2.6
Portland	610	10.5	17.0	-6.5 **	-38.1

SOURCE and NOTES: See Table 8.1.

Chapter 9

Impacts on Child Care Use While Employed

This chapter examines the effects of both employment- and education-focused approaches on the frequency, cost, and reliability of child care use by mothers while employed. Moving families on welfare toward economic self-sufficiency through increased mothers' employment is the main goal of both employment- and education-focused welfare-to-work programs. Affordable and good-quality child care can help welfare recipients attain self-sufficiency by supporting their employment.

Both approaches may increase child care use by increasing employment and thus the number of families who need child care. They may also affect the child care choices made by working mothers. For example, some programs (regardless of approach) may more actively help recipients find child care than others.[1]

Both approaches might affect the child care choices made by working program group members for four major reasons. First, as a result of impacts on employment, the background characteristics of mothers who are working and using child care while employed may be different in the program and control groups (for example, if the employment rate of women with preschool-age children was increased); in essence, these newly employed mothers may have different child care needs than mothers who found work without participating in a mandatory work program. Second, welfare-to-work programs may change the jobs that recipients obtain; for example, programs may increase full-time employment, inducing a higher percentage of program group members to seek out more formal child care arrangements. Employed program group members may also pay more on average for child care because they spend more hours at work. Third, increases in mothers' income can lead to different child care choices and options. Employed program group mothers might earn more on average than employed controls and therefore be more likely to be able to afford both more and higher-quality child care. Finally, the messages about the importance of child care and the benefits of various arrangements communicated by program staff, probably heard more frequently by program group members than control group members, may encourage program group members to use child care of a different type than that used by control group members who work at similar types of jobs. (Keep in mind that practices related to child care assistance – access to and allowable payments for child care – were the same for program and control group members within each site.) For example, some programs may stress the advantages of licensed or center-based care, or, alternatively, may encourage program group members to use informal or lower-cost care.

I. Key Questions

- Did welfare-to-work programs change child care use when mothers were employed? Did the changes differ by approach?

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[1] While child care practices differed across the sites (and thus programs) in the evaluation, within each site both access to and allowable payments for child care were the same for control and program group members. If a control group member enrolled on her own in a community education or training activity or became employed, she would have been entitled to the same type of child care assistance that a program group member in that site would have received. If a state would only pay for licensed child care, for example, then only this type of care would be paid for either control or program group members.

- Did welfare-to-work programs affect the cost of child care to sample members while employed? Did costs differ by approach?
- Did program group members report more instances of unreliable child care? Did this problem occur more often for employment- or education-focused programs?

II. Analysis Issues

All of the results presented in this chapter are based on data collected through the Two-Year Client Survey. Experimental impact measures are calculated for all sample members, including those who worked for pay but did not use child care for employment, as well as persons who never worked for pay. Nonexperimental measures are estimated only for persons who used child care while employed.

Child care use for employment is defined as the use of a regular child care arrangement (for example, day care center, nursery school, baby-sitters, or relatives) for any child under age 13 while the sample member was employed at her current or most recent job. Only *child care use while employed* is considered throughout this chapter. Kindergarten, first grade, or higher grades were not included as forms of child care under this definition; nor was child care that supported participation in program-referred or self-initiated activities.

Child care can be either paid or unpaid. Paid child care is defined as care paid for by the respondent or by another source, such as the welfare department, the father of the child(ren), or the respondent's employer. If a respondent reported using child care but did not report such a source, child care was considered to be unpaid. With paid child care, a payment schedule is set up with the caregiver, which suggests that the care may be more reliable than that of an unpaid caregiver. In addition, paid child care is more likely to involve center-based care.[2]

The monthly cost of child care *to the respondent* — also referred to as "out-of-pocket" child care payments — is defined as the monthly payment made by a respondent for child care without a total reimbursement.[3] This measure represents the cost of child care to the recipient alone and does not represent the *total* cost of child care, which could include payments from sources such as an agency or the child's father along with the respondent's payment. If the recipient is partially reimbursed, the remaining child care cost is included in this measure as it still represents the cost that the recipient must bear. Child care costs apply to *all* of a respondent's children under age 13.

Two types of subsidized child care are examined. The first type is paid for, either in part or in full, by a government agency, employer, or someone outside the respondent's household. Levels of reported subsidized care use may be underrepresented to the extent that respondents answered that neither they nor anyone else paid for the care, when, in fact, their children were attending Head Start or another government-sponsored child care program. The second type of subsidized care, transitional child care benefits, is offered by the welfare department when AFDC stops because of a job or increased earnings. Transitional benefits last for one year after welfare benefits cease. Both measures refer to use at any point during the two-year follow-up.

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[2] Detailed child care information obtained about focal children aged 3 to 5 at random assignment in three sites (Atlanta, Grand Rapids, and Riverside) shows that it was more likely that formal child care arrangements (for example, day care, preschool, before school care, summer camp) had been paid for, whereas informal arrangements (for example, relative or nonrelative care in the child's home or a caregiver's home) were not more likely to be paid than unpaid. Data come from the Child Outcomes Study (COS), which is being conducted by Child Trends.

[3] Respondents who reported using paid child care during employment were asked how much they typically paid per week; those who reported being reimbursed for all or part of their child care expenses were asked how much they received back. The difference between these two measures represents the average monthly child care cost to respondents. (Keep in mind that this is not the *total cost* of child care, only the amount that respondents paid.) Child care costs to respondents are expressed as amounts per month (by multiplying weekly totals by 4.3), or the average monthly child care cost paid by the respondent.

Finally, the reliability of child care is looked at in terms of the frequency with which sample members employed at the end of follow-up reported having missed work or being late to work at least one day because of problems with child care arrangements.

III. Key Findings

- Welfare-to-work programs changed mothers' use of child care while employed. More program group members who worked used child care of any type and also used more formal care (that is, paid care). Several programs increased full-time work, resulting in greater need for stable child care. Programs also increased average earnings, providing employed program group members with greater resources for child care.
- Program group members who worked used, on average, slightly more of their weekly earnings for child care than control group members who found jobs on their own.
- Mothers with young children paid more for child care than did those with older children. Neither approach produced a consistent pattern of impacts on child care costs among these subgroups.
- Take-up rates for transitional child care benefits across all sites were somewhat lower than would be expected given the employment gains achieved by many programs.
- Two employment-focused programs (Portland and Riverside LFA) and one education-focused program (Riverside HCD) showed increased reports of unreliable child care being used by mothers while employed.

Did either approach increase respondents' use of child care while employed?

All four employment-focused programs and three of the seven education-focused programs (Riverside HCD, Detroit, and Oklahoma City) moderately increased respondents' child care use while employed. This finding confirms expectations that employment-focused programs would more likely increase child care use while employed. (As discussed in Chapter 5, employment-focused programs produced larger and more consistent employment gains over two years.) Interestingly, for each approach, employment impacts were not always found in conjunction with impacts on child care use while employed. This finding is addressed in more detail later in the chapter.

As shown in Table 9.1, between 29 percent (Atlanta) and 44 percent (Oklahoma City), with a median of 35 percent, of control group members used child care while employed at some point during the follow-up period (all sample members are included in these averages). Impacts ranged from 4 percentage points (Atlanta LFA) to 13 percentage points (Riverside LFA), with a median impact of nearly 8 percentage points. Two employment-focused programs (Riverside

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Table 9.1

Program Impacts on Child Care Use While Employed During the Two-Year Follow-Up Period

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		Ever used child care during most recent or current job (%)			
Atlanta Labor Force Attachment	1890	33.2	29.0	4.2 **	14.4
Atlanta Human Capital Development	2199	31.8	29.0	2.9	9.9
Grand Rapids Labor Force Attachment	1158	50.0	43.3	6.7 **	15.5
Grand Rapids Human Capital Development	1158	42.5	43.3	-0.8	-1.9
Riverside Labor Force Attachment	1678	42.5	29.4	13.1 ***	44.6
Lacked high school diploma or basic skills	1012	39.5	23.3	16.1 ***	69.2
Riverside Human Capital Development	1350	30.1	23.3	6.7 **	28.7
Columbus Integrated	728	38.3	36.0	2.3	6.4
Columbus Traditional	723	36.1	36.0	0.0	0.1
Detroit	426	40.6	33.2	7.5 *	22.5
Oklahoma City	511	53.3	43.6	9.6 **	22.1
Portland	610	48.9	39.0	9.9 **	25.3
		Ever used paid child care during most recent or current job (%)			
Atlanta Labor Force Attachment	1890	25.5	19.7	5.8 ***	29.4
Atlanta Human Capital Development	2199	23.9	19.7	4.2 **	21.2
Grand Rapids Labor Force Attachment	1158	39.6	32.3	7.4 ***	22.8
Grand Rapids Human Capital Development	1158	32.0	32.3	-0.3	-0.8
Riverside Labor Force Attachment	1678	28.8	20.9	7.9 ***	37.6
Lacked high school diploma or basic skills	1012	26.1	15.2	10.9 ***	72.1
Riverside Human Capital Development	1350	21.7	15.2	6.6 ***	43.3
Columbus Integrated	728	28.1	22.7	5.5 *	24.2
Columbus Traditional	723	25.1	22.7	2.4	10.6
Detroit	426	35.9	22.9	13.0 ***	56.5
Oklahoma City	511	36.1	29.5	6.6 *	22.4
Portland	610	41.3	29.4	11.9 ***	40.6

(continued)

Table 9.1 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

LFA and Portland) increased use the most, followed closely by two education-focused programs (Oklahoma City and Detroit).

Did either approach increase the percentage of people who used paid child care while employed?

All but two programs increased the percentage of program group members who used paid child care while employed, including all four employment-focused approaches, as well as five education-focused programs (Atlanta and Riverside HCD, Columbus Integrated, Detroit, and Oklahoma City).

As shown in Table 9.1, approximately 15 percent (Riverside HCD) to 32 percent (Grand Rapids) of control group members used paid child care while employed. Impacts ranged from 4 percentage points (Atlanta HCD) to 13 percentage points (Detroit). There is a moderately strong relationship between approach and impacts on paid child care use: three employment-focused programs ranked among the top four in size of impacts, whereas the four education-focused programs had the smallest effects. On the other hand, Detroit's education-focused program produced the largest gain in paid child care use for employment. Interestingly, Atlanta LFA and HCD did not have an impact on employment rates and Columbus Integrated did not have an impact on child care use while employed — but all three of these programs had an impact on paid child care use. This finding suggests that the case managers in these programs encouraged people to use paid child care (most likely, center-based or licensed care) while employed, and program group members probably heard this message more frequently than control group members. For example, case managers in Atlanta promoted child care reimbursement as a benefit of participating in the program. In Columbus expenses from either licensed or unlicensed care were reimbursed and referrals to licensed providers were made available to clients.

What portion of the impacts on child care use while employed is due to changes in employment levels? What portion is due to employed program group members' increased child care use?

The effects that some of the programs had on the child care use and on paid child care use while employed are not entirely explained by the impacts on employment. Impacts were due to increased levels of employment, but also to the fact that a greater proportion of employed program group members used child care (or paid child care). The findings suggest that employed program group child care users required or preferred more stable child care arrangements while employed, because of either research group differences in their background characteristics (for example, number or age of children) or the features of the jobs they acquired (such as working nontraditional hours or full-time employment). It is also possible that employed program group child care users heeded the messages they heard from caseworkers during program orientations or one-on-one program-related meetings regarding the advantages of using center-based or licensed child care (usually paid care) once they found a job. (While control group members were eligible for the same type of child care assistance as program group members, they probably did not hear messages regarding the importance of child care or the advantages of particular types of child care as frequently as did program group members.)

Figure 9.1 depicts a decomposition analysis for the seven programs with impacts on child care use while employed. This analysis reveals the relative contributions from increases in employment and from employed people being more likely to use child care while working. For example, in Atlanta LFA, where employment impacts were not found, most of the impact on child care use for employment (about 76 percent) can be attributed to more employed program group members using child care while working than employed controls. In Oklahoma City, however, about half of the impact on child care is explained by increased employment levels, while the remainder is due to more employed program group members using child care while working. For

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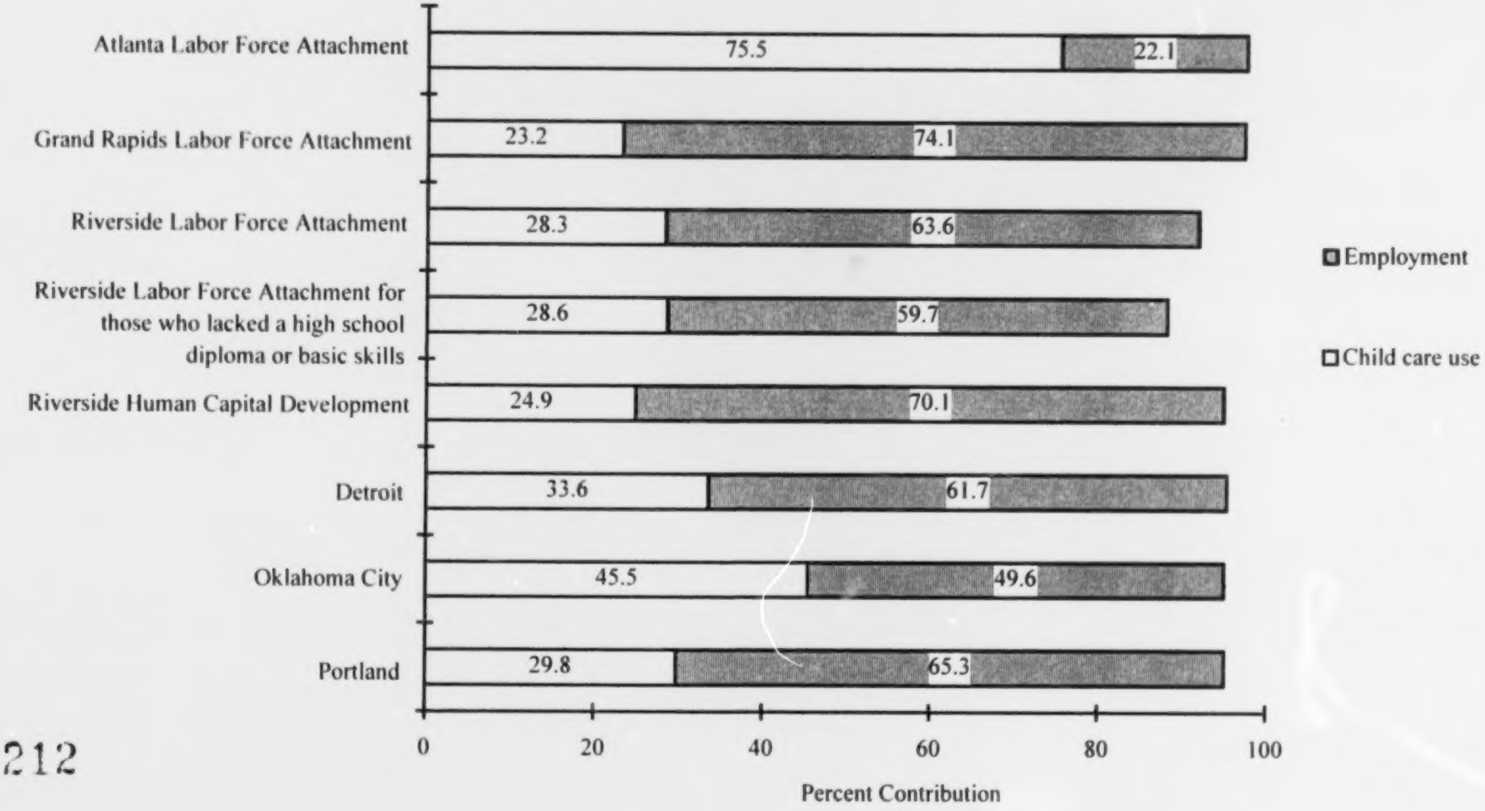
Figure 9.1

Relative Contributions of Employment and Child Care Use to Impact on Child Care Use While Employed

Impacts on child care use while employed were not due to employment gains alone. A portion of the impact for seven programs can be attributed to a greater percentage of people using child care while employed.



the other programs that increased employment, at least 60 percent of the impact found on overall child care use can be attributed to employment impacts, with the remainder of the impact accounted for by more employed program group members using child care while working.

Figure 9.2 provides a decomposition of the impacts produced by programs on paid child care use while employed. The Columbus Integrated program produced only a small impact (not statistically significant) on the child care use while employed, but had a fairly large impact on *paid* child care use while employed (see Table 9.1). As shown in Figure 9.2, the impact on paid child care use is not driven by an increase in child care use but by employed program group members being more likely to use *paid* child care while working than their counterparts in the control group. It is also partially driven by increases in employment, as shown in the graph.[4]

In Atlanta LFA and HCD and Detroit the likelihood was greater that employed program group members would use paid child care while working than their control group counterparts. This accounted for close to half of the full sample impact found on paid child care for these three programs. One difference between these two sites is that in Atlanta (regardless of approach) a good portion of the impact on paid child care can also be attributed to more employed program group mothers using child care, whereas in Detroit employment effects constituted the next largest share.

In Grand Rapids LFA, Portland, and Riverside HCD about 30 percent of the impact on the paid child care use was due to employed program group child care users being more likely than controls to use paid child care. In Oklahoma City and Riverside LFA the impact on paid child care use was due to other factors.

What are some possible explanations for the changes observed in child care use among those employed?

An examination of program-control group differences in certain baseline characteristics among employed sample members showed no obvious pattern to explain increases in child care use for employment (results not shown). For instance, it might be expected that mandatory welfare-to-work programs would increase the proportion of mothers of preschool-age children among those working for pay. Without a mandate to participate, some control group members might wait until their children are school-age to begin working. This effect did occur to some extent in Portland, but not elsewhere.

Changes in child care use while employed could also be partly explained by the characteristics of jobs held by program group members, which may have required a greater percentage of them to use child care. For example, more program group members may have obtained full-

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[4] The decomposition of effects discussed in the text is based on the approximate mathematical equivalence of the "percentage change" in paid child care use to the sum of the percentage differences in "ever employed," "use of child care if employed," and "use of paid child care if employed." Thus, for example, the contribution of "use of paid child care if employed" may be obtained by dividing its percentage change by the sum of the three component percentage changes. In Columbus (Integrated), the sum of the three component percentage changes is 23.4, close to the actual 23.7 percent increase in use of paid child care. The contribution of "use of paid child care if employed" is 16.4 divided by 23.4, which equals .70, the figure cited in the text. When examining the decomposition of factors that drive impacts, the factors involved in combination can account for more than overall percentage change of the impact. The decomposition is inexact because it ignores interactions among the components.

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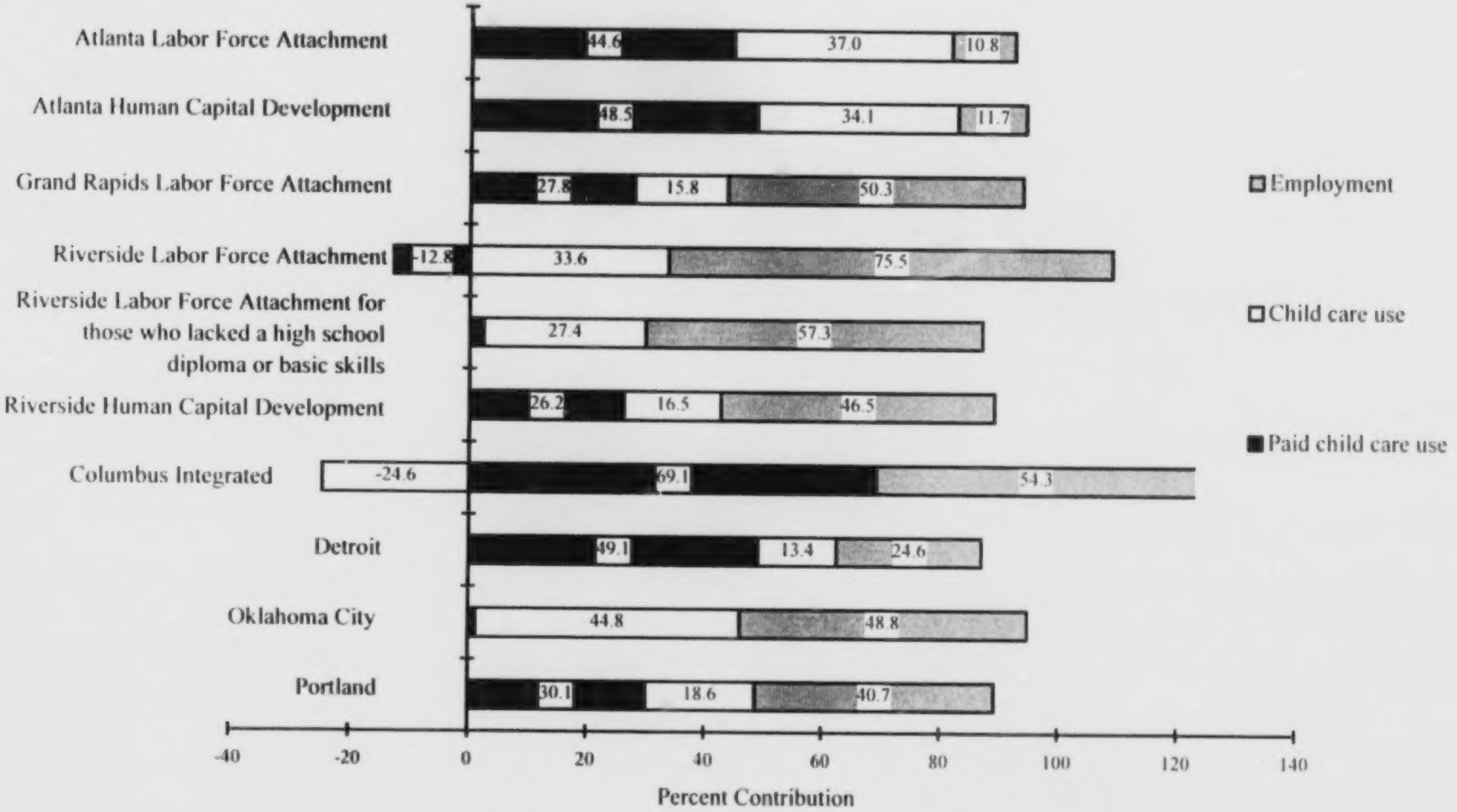
Figure 9.2

Relative Contributions of Employment, Child Care Use, and Paid Child Care Use to Impact on Paid Child Care Use While Employed

Impacts on paid child care use were not due to employment gains and increases in the overall child care use alone. A portion of the impact for seven programs can be attributed to a greater percentage of people using paid child care while employed.



NOTE: The relative contributions of paid child care use for those who lacked a high school diploma or basic skills is 2.4 percent for Riverside Labor Force Attachment and 1.2 percent for Oklahoma City.

time jobs that are likely to be long term. In order to keep such jobs, child care arrangements would likely be necessary.

For many of the programs increases in the demand for child care seem to be driven by program group members using more child care when working in full-time jobs. Table 9.2 shows, for the full sample, the degree to which these increases occurred when program group members were working full time and working part time. For instance, about 80 percent (that is, 3.4 percentage points divided by 4.2 percentage points) of the Atlanta LFA impact and 60 percent of the Grand Rapids LFA impact on child care use is due to increased part-time employment. In both Riverside programs, however, increased full-time employment explained about 84 percent of the impact on child care use. Findings for Detroit and Oklahoma City were similar: at least 70 percent of the child care impact is due to more program group members using child care while working full time. Finally, all of the child care impact found for Portland can be attributed to more program group members using child care while working full time.

Other factors that may influence recipients' child care choices stem from the child care messages that the various programs emphasized. Some programs placed a great deal of importance on welfare recipients finding an appropriate and stable child care situation while employed.

The possible effect of such a message is best illustrated by the two programs implemented in Atlanta. In this site case managers encouraged people to use child care and emphasized it as a reason to participate in the program, in part by strongly emphasizing the availability of reimbursement for child care costs. (Again, while both program and control group members were eligible for reimbursement for child care costs, to the same extent, program group members probably would have heard messages about the importance of child care and the advantages of particular types of child care more frequently than did control group members, due to program group members' increased exposure to caseworkers and other program-related staff.) Atlanta LFA changed the level of employment by only 2 percentage points (not statistically significant), but changed the level of child care use while employed by 4 percentage points and raised paid child care use by nearly 6 percentage points (both impacts statistically significant). Similarly, Atlanta HCD did not increase employment levels but raised use of paid child care by 4 percentage points (statistically significant). As discussed in Chapter 3, case managers in Detroit also placed a high priority on arranging child care. In Detroit, too, the increase in paid child care use (13 percentage points) far exceeded the program's employment gains.

Did the two approaches affect the cost of child care to working mothers? Were there consistent patterns across the various cost measures by approach?

Table 9.3 shows the average monthly cost to the respondent for child care use while employed at the end of follow-up, among the full sample and among those employed. As shown, program-control group differences in these measures were relatively small and do not appear to be affected by a program's employment or education focus. Across all control groups the median child care cost was $24, within a range of costs from $15 (Atlanta) to $48 (Grand Rapids). In two employment-focused programs (Grand Rapids and Riverside LFA) and three education-focused programs (Riverside HCD, Columbus Integrated, and Detroit) program group members paid slightly more for child care on average than control group members. Increases in these five programs averaged from $10 to $19 per month. (These amounts include zero payments for those who were not employed at the end of the two years, did not use child care while employed, or used unpaid child care.)

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Table 9.2

Program Impacts on Employment Status and Child Care Use While Employed During the Two-Year Follow-Up Period

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Atlanta Labor Force Attachment					
Child care used for employment (%)	1890	33.2	29.0	4.2 **	14.4
Worked full time and used child care		22.1	21.9	0.2	0.9
Worked part time and used child care		10.1	6.6	3.4 ***	51.6
Atlanta Human Capital Development					
Child care used for employment (%)	2199	31.8	29.0	2.9	9.9
Worked full time and used child care		24.9	21.9	2.9 *	13.3
Worked part time and used child care		6.8	6.6	0.2	2.3
Grand Rapids Labor Force Attachment					
Child care used for employment (%)	1158	50.0	43.3	6.7 **	15.5
Worked full time and used child care		34.6	31.8	2.8	8.8
Worked part time and used child care		15.2	11.3	3.9 **	34.9
Grand Rapids Human Capital Development					
Child care used for employment (%)	1158	42.5	43.3	-0.8	-1.9
Worked full time and used child care		30.9	31.8	-0.9	-2.8
Worked part time and used child care		11.2	11.3	-0.1	-0.8
Riverside Labor Force Attachment					
Child care used for employment (%)	1678	42.5	29.4	13.1 ***	44.6
Worked full time and used child care		29.9	18.8	11.1 ***	58.7
Worked part time and used child care		12.6	10.5	2.1	19.5
Riverside Labor Force Attachment for those who lacked a high school diploma or basic skills					
Child care used for employment (%)	1012	39.5	23.3	16.1 ***	69.2
Worked full time and used child care		26.9	15.3	11.6 ***	76.1
Worked part time and used child care		12.6	8.1	4.5 **	56.0
Riverside Human Capital Development					
Child care used for employment (%)	1350	30.1	23.3	6.7 **	28.7
Worked full time and used child care		20.9	15.3	5.6 **	36.7
Worked part time and used child care		9.2	8.1	1.1	13.7

(continued)

Table 9.2 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Columbus Integrated					
Child care used for employment (%)	728	38.3	36.0	2.3	6.4
Worked full time and used child care		29.4	26.8	2.6	9.6
Worked part time and used child care		8.4	8.5	0.0	-0.5
Columbus Traditional					
Child care used for employment (%)	723	36.1	36.0	0.0	0.1
Worked full time and used child care		25.8	26.8	-1.0	-3.6
Worked part time and used child care		10.0	8.5	1.5	17.7
Detroit					
Child care used for employment (%)	426	40.6	33.2	7.5 *	22.5
Worked full time and used child care		28.1	23.1	5.0	21.5
Worked part time and used child care		12.5	10.0	2.5	24.9
Oklahoma City					
Child care used for employment (%)	511	53.3	43.6	9.6 **	22.1
Worked full time and used child care		40.8	33.4	7.4 *	22.1
Worked part time and used child care		12.4	9.9	2.6	26.0
Portland					
Child care used for employment (%)	610	48.9	39.0	9.9 **	25.3
Worked full time and used child care		39.5	27.7	11.8 ***	42.4
Worked part time and used child care		9.4	10.9	-1.5	-13.7

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1. Rounding may cause slight discrepancies in calculating sums.

Employed program group members generally had higher monthly work-related child care costs than employed controls, as shown in Table 9.3. Monthly child care costs to employed control group members at the end of follow-up ranged from about $41 (Atlanta) to $110 (Detroit), with a median cost of about $67. Notable program-control group differences in monthly child care costs, ranging from $13 (Riverside LFA) to $24 (Detroit) at the end of two years, were found for the same programs where impacts were observed for the full sample. Grand Rapids HCD reduced monthly child care costs for employed program group members by $10 compared with child care costs for employed controls. (All of these comparisons are nonexperimental.)

Did both approaches increase the percentage of working mothers who paid out-of-pocket for child care use while employed?

Table 9.3 shows the rates at which mothers used care that they paid for out-of-pocket when working at the end of the two-year follow-up (this care was paid in full by the respondent or the respondent received only a partial reimbursement). Rates are shown for the full sample and for those employed.

As shown, from 11 percent (Atlanta) to 22 percent (Grand Rapids) of control group members paid out-of-pocket for child care use while employed at the end of the follow-up. Three education-focused programs (Riverside HCD, Columbus Integrated, and Detroit), as well as Portland's employment-focused program, increased the percentage of sample members who paid such costs. Impacts ranged from 5 to 8 percentage points in these four programs. In contrast, Grand Rapids HCD reduced the percentage of program group members who paid out-of-pocket for child care compared with controls by 4 percentage points. The remaining programs had no effect.

As shown in Table 9.3, about 30 percent (Atlanta) to 44 percent (Portland) of control group members and 27 percent (Atlanta LFA) to 55 percent (Detroit) of program group members who were working at the end of follow-up made out-of-pocket child care payments. Four education-focused programs (Atlanta and Riverside HCD, Columbus Integrated, and Detroit) increased the percentage of employed program group members who paid out-of-pocket for child care compared with employed controls. (This is a nonexperimental comparison.) The differences ranged from 5 percentage points (Columbus Integrated) to 12 percentage points (Detroit).

Were employment- or education-focused programs more likely to change the portion of weekly earnings spent by mothers for child care use while employed two years after random assignment?

Two subsamples were used in this nonexperimental analysis: employed sample members who used child care and employed sample members who paid out-of-pocket for child care.[5]

Employed at two-year point. In general, relatively small differences were found in the percentage of weekly earnings that employed program and control group members spent on child care use while employed at the two-year mark. Most changes, however, occurred for employed members of education-focused programs. Employed control group members spent about 8 percent (Columbus) to 22 percent (Portland) of their total weekly earnings on child care (with a median of 16 percent). As shown in Table 9.4, one employment-focused program and five education-focused programs increased the proportion of weekly earnings spent on child care from 3 to 5 percentage points; one employment-focused program (Portland) reduced the proportion of weekly earnings that employed sample members spent on child care.

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[5] Sample sizes are small for this latter group, leaving estimates somewhat unreliable.

Employed at two-year point and paid out-of-pocket for child care. If only those who were employed and paid out-of-pocket for child care (not including those who used subsidized care or unpaid care) are considered, program-control group differences were found for several programs. (See Table 9.4.) The percentage of weekly earnings used for child care among employed control group members seemed to be quite high, ranging from about 26 percent (Columbus) to 51 percent (Portland), with a median of 43 percent. Seven programs (five of them education-focused) increased the percentage of weekly earnings that employed program group members used for child care. These increases ranged from about 3 percentage points (Riverside HCD) to 10 percentage points (Oklahoma City) and included Grand Rapids LFA and HCD, Riverside LFA, Columbus Integrated and Training, and Oklahoma City. Three programs decreased the percentage of weekly earnings that employed program group members paid out-of-pocket for child care use while employed. The Atlanta and Detroit education-focused programs reduced the proportion of weekly earnings spent on child care by between 4 and 5 percentage points, and the Portland program reduced this percentage by nearly 18 percentage points.

Did impacts on child care costs for employment differ for mothers with a young child and for mothers with a school-age child? Did a program's focus affect the relationship between age of youngest child and impacts on child care costs for employment?

Table 9.5 shows impacts on average monthly child care costs for all women and for employed women in three subgroups: those with a child aged 2 or under at random assignment, those with a child aged 3 to 5, and those with a child aged 6 to 18. Sample members with a child aged 2 or under at baseline in four sites (Grand Rapids, Detroit, Oklahoma City, and Portland) were included in the evaluation. There were no impacts on child care costs for this subgroup.

Across all sites a median child care cost for employment of $62 per month was found for control group mothers with a very young child at random assignment. Their child care costs ranged from $28 (Oklahoma City) to $78 (Grand Rapids). Costs for program group members averaged about $10 more per month in most sites, but the differences were not statistically significant.

For employed control group members with a very young child the median child care cost was $163 per month across all sites. Average costs ranged from $61 (Oklahoma City) to $194 (Detroit). Notable program-control group differences were found for three programs. Grand Rapids LFA and Portland reduced monthly child care costs to employed program group women with a very young child at baseline by $10 and $40 per month, respectively. Grand Rapids HCD, however, increased monthly child care costs by $26 per month for employed program group mothers in this subgroup. (See Table 9.5.)

On average, control group mothers with a child aged 3 to 5 at random assignment spent between $23 (Atlanta) and $70 (Grand Rapids) per month on child care use for employment (median child care cost was $34). Only Riverside HCD and Columbus Integrated raised average monthly payments by a statistically significant amount for this subgroup — each by about $20 per month.

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Table 9.3

Program Impacts on Child Care Costs for Employment at Interview for All Sample Members and for Those Employed at Interview

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. For All Sample Members			
Monthly cost of child care paid by respondent ($)					
Atlanta Labor Force Attachment	1890	13	15	-2	-16.3
Atlanta Human Capital Development	2199	18	15	3	20.6
Grand Rapids Labor Force Attachment	1158	62	48	14 **	29.8
Grand Rapids Human Capital Development	1158	42	48	-6	-12.3
Riverside Labor Force Attachment	1678	34	24	10 **	40.9
Lacked high school diploma or basic skills	1012	25	17	8	47.2
Riverside Human Capital Development	1350	30	17	13 **	77.5
Columbus Integrated	728	34	23	11 *	47.7
Columbus Traditional	723	28	23	5	23.0
Detroit	426	56	37	19 *	51.7
Oklahoma City	511	23	24	-1	-4.3
Portland	610	51	35	17	48.5
Out-of-pocket child care paid by respondent (%)					
Atlanta Labor Force Attachment	1890	10.2	10.9	-0.7	-6.3
Atlanta Human Capital Development	2199	12.9	10.9	2.0	18.6
Grand Rapids Labor Force Attachment	1158	25.5	22.0	3.5	16.0
Grand Rapids Human Capital Development	1158	18.0	22.0	-4.0 *	-18.0
Riverside Labor Force Attachment	1678	14.0	11.6	2.3	20.0
Lacked high school diploma or basic skills	1012	10.5	8.4	2.1	25.2
Riverside Human Capital Development	1350	13.1	8.4	4.7 **	55.7
Columbus Integrated	728	17.8	13.2	4.6 *	35.0
Columbus Traditional	723	14.5	13.2	1.4	10.4
Detroit	426	22.7	14.5	8.3 **	57.4
Oklahoma City	511	18.5	16.7	1.8	10.7
Portland	610	21.5	15.3	6.2 *	40.7

(continued)

Table 9.3 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed at Interview				
				Monthly cost of child care paid by respondent ($)
34	41	-7	-18.1	Atlanta Labor Force Attachment
50	41	9	21.1	Atlanta Human Capital Development
115	97	19	19.4	Grand Rapids Labor Force Attachment
87	97	-10	-10.1	Grand Rapids Human Capital Development
82	69	13	19.4	Riverside Labor Force Attachment
72	64	8	11.7	Lacked high school diploma or basic skills
87	64	23	36.0	Riverside Human Capital Development
69	56	14	24.8	Columbus Integrated
64	56	8	15.1	Columbus Traditional
134	110	24	22.1	Detroit
48	53	-4	-8.4	Oklahoma City
104	100	4	4.0	Portland
				Out-of-pocket child care paid by respondent (%)
27.2	29.7	-2.5	-8.3	Atlanta Labor Force Attachment
35.3	29.7	5.7	19.2	Atlanta Human Capital Development
47.1	44.2	3.0	6.7	Grand Rapids Labor Force Attachment
37.1	44.2	-7.0	-15.9	Grand Rapids Human Capital Development
34.1	33.6	0.5	1.6	Riverside Labor Force Attachment
30.1	31.7	-1.6	-5.0	Lacked high school diploma or basic skills
37.8	31.7	6.1	19.3	Riverside Human Capital Development
36.5	32.0	4.5	14.1	Columbus Integrated
33.1	32.0	1.1	3.3	Columbus Traditional
54.6	43.1	11.5	26.7	Detroit
38.9	36.7	2.2	5.9	Oklahoma City
43.4	44.1	-0.6	-1.5	Portland

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Differences between program group and control group members (shown in italics) "For Those Employed at Interview" are not true experimental comparisons; statistical tests were not performed.

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Table 9.4

Program-Control Group Differences on Weekly Portion of Earnings Used for Child Care for Those Employed and for Those Who Paid Out-of-Pocket for Child Care While Employed at Interview

Site and Program	Program Group	Control Group	Difference	Percentage Change (%)
	A. For Those Employed at Interview			
Total portion of weekly earnings used for child care (%)				
Atlanta Labor Force Attachment	*8.2*	*8.7*	*-0.4*	*-5.1*
Atlanta Human Capital Development	*8.7*	*8.7*	*0.0*	*0.4*
Grand Rapids Labor Force Attachment	*21.2*	*17.0*	*4.2*	*25.0*
Grand Rapids Human Capital Development	*16.8*	*17.0*	*-0.2*	*-0.9*
Riverside Labor Force Attachment	*18.9*	*16.7*	*2.2*	*13.0*
Lacked high school diploma or basic skills	*22.3*	*15.4*	*6.9*	*45.2*
Riverside Human Capital Development	*19.5*	*15.4*	*4.1*	*26.8*
Columbus Integrated	*11.7*	*8.3*	*3.4*	*41.0*
Columbus Traditional	*11.3*	*8.3*	*2.9*	*35.1*
Detroit	*25.3*	*21.7*	*3.6*	*16.4*
Oklahoma City	*14.6*	*10.1*	*4.5*	*44.7*
Portland	*14.6*	*22.5*	*-7.9*	*-35.2*
	B. For Those Employed at Interview Who Paid for Child Care			
Total portion of weekly earnings used for child care (%)				
Atlanta Labor Force Attachment	*30.2*	*29.2*	*1.0*	*3.5*
Atlanta Human Capital Development	*24.6*	*29.2*	*-4.6*	*-15.7*
Grand Rapids Labor Force Attachment	*45.0*	*38.4*	*6.6*	*17.1*
Grand Rapids Human Capital Development	*45.3*	*38.4*	*6.9*	*17.8*
Riverside Labor Force Attachment	*55.4*	*49.8*	*5.6*	*11.2*
Lacked high school diploma or basic skills	*74.1*	*48.5*	*25.6*	*52.8*
Riverside Human Capital Development	*51.5*	*48.5*	*3.0*	*6.2*
Columbus Integrated	*32.2*	*26.0*	*6.1*	*23.6*
Columbus Traditional	*34.1*	*26.0*	*8.0*	*30.8*
Detroit	*46.4*	*50.5*	*-4.1*	*-8.1*
Oklahoma City	*37.7*	*27.6*	*10.1*	*36.6*
Portland	*33.6*	*51.1*	*-17.5*	*-34.2*

(continued)

Table 9.4 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Differences between program group members and control group members (shown in italics) "For Those Employed at Interview" and "For Those Employed at Interview Who Paid for Child Care" are not true experimental comparisons; statistical tests were not performed.

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Table 9.5

Program Impacts on Child Care Costs in Dollars for Employment at Interview for Selected Subgroups and for Those Employed at Interview in the Subgroups

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. For All Sample Members			
Sample members with a child aged 2 or under					
Grand Rapids Labor Force Attachment	326	79	78	2	2.0
Grand Rapids Human Capital Development	344	88	78	11	13.8
Detroit	161	80	65	15	23.4
Oklahoma City	200	33	28	5	17.6
Portland	226	65	59	6	9.5
Sample members with a child aged 3 to 5					
Atlanta Labor Force Attachment	949	21	23	-1	-4.9
Atlanta Human Capital Development	1082	24	23	2	7.9
Grand Rapids Labor Force Attachment	462	90	70	20	28.8
Grand Rapids Human Capital Development	447	60	70	-10	-14.7
Riverside Labor Force Attachment	751	43	32	11	34.5
Lacked high school diploma or basic skills	464	31	23	8	37.1
Riverside Human Capital Development	618	44	23	21 **	93.5
Columbus Integrated	321	53	33	20 *	61.9
Columbus Traditional	308	41	33	8	24.9
Detroit	163	60	55	5	8.6
Oklahoma City	178	34	35	-1	-1.8
Portland	251	63	45	18	40.8
Sample members with a child aged 6 to 18					
Atlanta Labor Force Attachment	1548	11	12	-2	-12.4
Atlanta Human Capital Development	1813	15	12	3	22.0
Grand Rapids Labor Force Attachment	762	54	34	20 ***	60.0
Grand Rapids Human Capital Development	762	23	34	-11	-33.5
Riverside Labor Force Attachment	1341	35	22	12 **	54.1
Lacked high school diploma or basic skills	812	28	16	12 **	73.0
Riverside Human Capital Development	1075	27	16	10 *	63.8
Columbus Integrated	586	25	19	7	37.3
Columbus Traditional	594	25	19	7	36.0
Detroit	269	53	23	30 **	131.9
Oklahoma City	277	17	12	5	36.8
Portland	389	42	28	15	52.5

(continued)

Table 9.5 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Employed at Interview				
				Sample members with a child aged 2 or under
146	*156*	*-10*	*-6.1*	Grand Rapids Labor Force Attachment
182	*156*	*26*	*16.6*	Grand Rapids Human Capital Development
193	*194*	*-1*	*-0.7*	Detroit
69	*61*	*8*	*12.5*	Oklahoma City
131	*170*	*-40*	*-23.3*	Portland
				Sample members with a child aged 3 to 5
57	*62*	*-4*	*-7.0*	Atlanta Labor Force Attachment
67	*62*	*5*	*8.3*	Atlanta Human Capital Development
167	*141*	*26*	*18.5*	Grand Rapids Labor Force Attachment
123	*141*	*-18*	*-12.5*	Grand Rapids Human Capital Development
106	*93*	*13*	*14.0*	Riverside Labor Force Attachment
89	*86*	*3*	*4.0*	Lacked high school diploma or basic skills
127	*86*	*41*	*48.3*	Riverside Human Capital Development
108	*79*	*29*	*36.8*	Columbus Integrated
92	*79*	*13*	*16.9*	Columbus Traditional
143	*163*	*-20*	*-12.5*	Detroit
72	*77*	*-5*	*-6.0*	Oklahoma City
127	*129*	*-2*	*-1.4*	Portland
				Sample members with a child aged 6 to 18
29	*34*	*-5*	*-14.3*	Atlanta Labor Force Attachment
41	*34*	*8*	*22.5*	Atlanta Human Capital Development
100	*68*	*32*	*47.2*	Grand Rapids Labor Force Attachment
46	*68*	*-22*	*-31.9*	Grand Rapids Human Capital Development
85	*65*	*20*	*30.6*	Riverside Labor Force Attachment
81	*62*	*19*	*31.3*	Lacked high school diploma or basic skills
77	*62*	*16*	*25.5*	Riverside Human Capital Development
52	*45*	*7*	*16.0*	Columbus Integrated
57	*45*	*12*	*27.2*	Columbus Traditional
126	*68*	*59*	*86.7*	Detroit
35	*27*	*8*	*30.9*	Oklahoma City
86	*80*	*5*	*6.8*	Portland

(continued)

22

Table 9.5 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Sample sizes vary because some individuals are excluded from the analysis. Not all sites included sample members with children under age 3.

Differences between program group and control group members (shown in italics) "For Those Employed at Interview" are not true experimental comparisons; statistical tests were not performed.

As shown in Table 9.5, employed mothers with a child aged 3 to 5 spent somewhat less per month for child care, for the four sites where mothers with very young children were included. Among employed women with a child aged 3 to 5, control group members paid between $62 (Atlanta) and $163 (Detroit) per month for child care use while employed at the two-year mark (the median monthly child care cost was $90). Monthly child care costs increased for employed program group members of this subgroup in Grand Rapids LFA, Riverside LFA, Riverside HCD, and Columbus Integrated and Traditional by $13 to $41. Grand Rapids HCD and Detroit reduced monthly child care costs by $18 and $20, respectively.

As expected, average monthly child care costs for employment were smaller still for mothers with at least one child aged 6 to 18. As shown in Table 9.5, across all sites monthly child care costs to control group members with an older child ranged from $12 (Atlanta and Oklahoma City) to $34 (Grand Rapids), with a median cost of $21. Grand Rapids LFA, Riverside LFA and HCD, and Detroit increased monthly child care costs to program group mothers with an older child by $10 (Riverside HCD) to $30 (Detroit).

Grand Rapids and Riverside LFA, Riverside HCD, Columbus Traditional, and Detroit increased monthly child care costs to employed program group mothers with an older child by $12 (Columbus Traditional) to $59 (Detroit). Grand Rapids HCD reduced monthly child care costs for employed program group mothers in this subgroup by $22.

Did either approach influence rates of subsidized child care use by working mothers?

The four employment-focused and three education-focused programs increased the use of subsidized care (that is, paid by another party) while employed from 1 to 6 percentage points. Rates were relatively low among the program and control groups, however, averaging less than 10 percent in all sites. As shown in Table 9.6, among control group members who used paid care between about 2 percent (Grand Rapids) and 17 percent (Oklahoma City and Columbus) used some form of subsidized child care when they worked during the follow-up period (median rate of use was about 10 percent). Six programs increased the level at which program group members (who used paid child care) used subsidized child care by at least 6 percentage points. The largest gains were for Atlanta LFA and HCD and Portland. Columbus Integrated, however, reduced the level at which these program group members used subsidized care by 10 percentage points.

Was either approach more likely to influence the percentage of mothers who used transitional child care while employed?

Relatively few program and control group members used transitional child care benefits. This finding is valid for most sites and programs, even when only sample members eligible to receive these benefits are considered.

Five programs increased the use of transitional child care benefits, as shown in Table 9.7, although effects were small (below 3 percentage points) for three of these programs. The rate at which transitional child care was used ranged from about 1 percent (Riverside HCD) to 14 percent (Oklahoma City) across all control groups (the median was 3 percent). Larger effects were attained by Atlanta LFA (7 percentage points) and Portland (11 percentage points).

Among those who were eligible for transitional child care benefits (because their AFDC stopped owing to increased earnings or acquisition of a new job), a median of about 11 percent of

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Table 9.6

Program Impacts on Subsidized Child Care Use While Employed During Follow-Up Period for All Sample Members and for Those Who Used Paid Care

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. For All Sample Members			
Used subsidized child care for most recent job (%)					
Atlanta Labor Force Attachment	1890	8.8	2.6	6.2 ***	237.9
Atlanta Human Capital Development	2199	5.5	2.6	2.9 ***	111.7
Grand Rapids Labor Force Attachment	1158	2.1	0.6	1.4 *	231.0
Grand Rapids Human Capital Development	1158	2.6	0.6	1.9 **	311.3
Riverside Labor Force Attachment	1678	3.8	1.5	2.4 ***	158.3
Lacked high school diploma or basic skills	1012	3.3	0.7	2.7 ***	407.7
Riverside Human Capital Development	1350	1.4	0.7	0.8	119.9
Columbus Integrated	728	1.9	3.8	-1.9	-50.3
Columbus Traditional	723	3.7	3.8	-0.1	-3.3
Detroit	426	3.1	0.7	2.4 *	360.5
Oklahoma City	511	5.5	5.0	0.5	9.2
Portland	610	9.1	3.7	5.4 **	147.3
		B. For Those Who Used Paid Child Care			
Used subsidized child care for most recent job (%)					
Atlanta Labor Force Attachment		*34.5*	*13.2*	*21.3*	*161.1*
Atlanta Human Capital Development		*23.1*	*13.2*	*9.9*	*74.7*
Grand Rapids Labor Force Attachment		*5.2*	*1.9*	*3.3*	*169.5*
Grand Rapids Human Capital Development		*8.0*	*1.9*	*6.1*	*314.7*
Riverside Labor Force Attachment		*13.3*	*7.1*	*6.2*	*87.7*
Lacked high school diploma or basic skills		*12.7*	*4.3*	*8.4*	*195.0*
Riverside Human Capital Development		*6.6*	*4.3*	*2.3*	*53.4*
Columbus Integrated		*6.7*	*16.8*	*-10.0*	*-59.9*
Columbus Traditional		*14.6*	*16.8*	*-2.1*	*-12.6*
Detroit		*8.7*	*2.9*	*5.7*	*194.2*
Oklahoma City		*15.3*	*17.1*	*-1.9*	*-10.8*
Portland		*21.9*	*12.7*	*9.2*	*71.8*

(continued)

Table 9.6 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Differences between program group and control group members (shown in italics) "For Those Who Used Paid Child Care" are not true experimental comparisons; statistical tests were not performed.

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Table 9.7

Program Impacts on Transitional Child Care Benefits During the Two-Year Follow-Up Period

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. For All Sample Members			
Informed of transitional child care benefits (%)					
Atlanta Labor Force Attachment	1890	9.3	5.0	4.3 ***	84.8
Atlanta Human Capital Development	2199	6.4	5.0	1.4	26.8
Grand Rapids Labor Force Attachment	1158	6.9	2.9	4.0 ***	135.0
Grand Rapids Human Capital Development	1158	4.2	2.9	1.3	44.6
Riverside Labor Force Attachment	1678	10.4	3.2	7.1 ***	219.7
Lacked high school diploma or basic skills	1012	7.4	1.9	5.5 ***	286.6
Riverside Human Capital Development	1350	4.6	1.9	2.7 **	142.0
Columbus Integrated	728	10.8	5.0	5.9 ***	118.0
Columbus Traditional	723	7.1	5.0	2.2	43.7
Detroit	426	3.7	3.4	0.3	9.2
Oklahoma City	511	10.2	11.7	-1.6	-13.2
Portland	610	20.2	13.5	6.7 **	49.9
Used transitional child care benefits (%)					
Atlanta Labor Force Attachment	1890	12.1	5.3	6.8 ***	129.0
Atlanta Human Capital Development	2199	7.7	5.3	2.4 **	45.3
Grand Rapids Labor Force Attachment	1158	5.1	2.1	2.9 ***	135.2
Grand Rapids Human Capital Development	1158	3.1	2.1	0.9	42.3
Riverside Labor Force Attachment	1678	3.4	1.5	1.9 ***	128.8
Lacked high school diploma or basic skills	1012	2.9	1.0	1.8 **	179.0
Riverside Human Capital Development	1350	1.3	1.0	0.2	22.9
Columbus Integrated	728	5.4	3.9	1.5	37.7
Columbus Traditional	723	4.9	3.9	1.0	26.1
Detroit	426	4.5	2.1	2.5	119.5
Oklahoma City	511	11.5	14.0	-2.4	-17.4
Portland	610	23.5	12.5	11.0 ***	87.5

(continued)

Table 9.7 (continued)

Program Group	Control Group	Difference	Percentage Change (%)	Site and Program
B. For Those Eligible for Transitional Child Care Benefits				
				Informed about transitional child care benefits (%)
27.3	*17.2*	*10.1*	*59.0*	Atlanta Labor Force Attachment
21.0	*17.2*	*3.8*	*22.1*	Atlanta Human Capital Development
14.5	*8.1*	*6.4*	*78.7*	Grand Rapids Labor Force Attachment
10.7	*8.1*	*2.6*	*31.9*	Grand Rapids Human Capital Development
36.7	*17.5*	*19.2*	*109.6*	Riverside Labor Force Attachment
34.1	*14.2*	*19.9*	*140.1*	Lacked high school diploma or basic skills
25.8	*14.2*	*11.6*	*81.3*	Riverside Human Capital Development
23.8	*15.8*	*8.0*	*50.4*	Columbus Integrated
19.6	*15.8*	*3.8*	*24.0*	Columbus Traditional
15.7	*15.9*	*-0.1*	*-0.9*	Detroit
26.0	*30.6*	*-4.6*	*-15.0*	Oklahoma City
42.4	*36.2*	*6.2*	*17.2*	Portland
				Used transitional child care benefits (%)
35.4	*18.0*	*17.4*	*97.0*	Atlanta Labor Force Attachment
25.1	*18.0*	*7.2*	*40.0*	Atlanta Human Capital Development
10.6	*5.9*	*4.7*	*78.9*	Grand Rapids Labor Force Attachment
7.7	*5.9*	*1.8*	*29.8*	Grand Rapids Human Capital Development
12.2	*8.1*	*4.1*	*50.0*	Riverside Labor Force Attachment
13.1	*7.6*	*5.5*	*73.3*	Lacked high school diploma or basic skills
7.0	*7.6*	*-0.6*	*-7.9*	Riverside Human Capital Development
11.8	*12.5*	*-0.6*	*-5.0*	Columbus Integrated
13.6	*12.5*	*1.1*	*8.8*	Columbus Traditional
19.4	*9.7*	*9.7*	*99.3*	Detroit
29.4	*36.4*	*-7.0*	*-19.1*	Oklahoma City
49.3	*33.6*	*15.7*	*46.7*	Portland

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Differences between program group and control group members (shown in italics) "For Those Eligible for Transitional Child Care Benefits" are not true experimental comparisons; statistical tests were not performed. Sample members became eligible for Transitional Child Care benefits when they became employed and left AFDC.

controls across all sites used transitional child care.[6] Across all control groups this use ranged from about 6 percent (Grand Rapids) to 36 percent (Oklahoma City). Five programs (Atlanta LFA and HCD, Grand Rapids LFA, Detroit, and Portland) increased the rates at which eligible program group members used transitional child care over eligible control group rates, from 5 to 17 percentage points. Most notable are the differences produced by Atlanta LFA (17 percentage points) and Portland (15 percentage points). Oklahoma City reduced the rate at which eligible program group members used transitional child care by 7 percentage points. (See Table 9.7.)

Did either approach help to improve the reliability of child care use while employed?

The overall work attendance rates related to problems with child care arrangements were generally low, indicating that problematic child care was usually not the reason for missing work. There was no real pattern according to program approach. Two employment-focused programs and one education-focused program increased child care-related problems (see Table 9.8).

Across all sites the median rate at which unreliable care was reported among controls was 9 percent. Between about 4 percent (Riverside HCD) and 11 percent (Grand Rapids) of all control group members reported having child care problems that interfered with their job at the end of the follow-up period. Riverside LFA and HCD increased the proportion of program group members who reported unreliable child care by 3 and 4 percentage points, respectively. Portland also increased the proportion of program group members who reported unreliable child care by 7 percentage points.

Surprisingly, program group members in Riverside LFA and HCD reported more often that they missed or were late to work at least once a month owing to problems with child care, but they also experienced the greatest impact on the amount they paid for child care. One possible explanation for these results is that Riverside steered clients toward unlicensed in-home care or family day care, partly to minimize program costs. Riverside staff also reported that they believed these lower-cost arrangements would work out better in the long run for clients, who might not be able to afford center-based care after leaving welfare and losing their child care subsidy.

In Portland, where strong employment-focused programs produced large employment gains, child care demand may have exceeded supply.

The rates of missing or being late to work because of problems with child care arrangements among employed control group members at the end of follow-up ranged from 14 percent (Riverside HCD) to 34 percent (Detroit), with a median rate of 22 percent. Program-control group differences of at least 5 percentage points were noted for Riverside HCD (9 percentage points), Oklahoma City (6 percentage points), and Portland (7 percentage points). Employed program group members in these programs were more likely than employed control group members to experience unreliable child care. (See Table 9.8.)

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[6] For several programs rates of transitional child care use tended to be slightly higher than the rates seen for the percentage of people informed about transitional care. This is likely due to the fact that some states and programs fund post-employment child care.

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Table 9.8

Program Impacts on Child Care-Related Work Attendance for Employment at Interview for All Sample Members and for Those Employed at Interview

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
		A. For All Sample Members			
Missed or late for work at interview (%)					
Atlanta Labor Force Attachment	1890	5.6	6.9	-1.2	-18.0
Atlanta Human Capital Development	2199	8.0	6.9	1.1	16.7
Grand Rapids Labor Force Attachment	1158	12.7	10.9	1.8	16.5
Grand Rapids Human Capital Development	1158	10.3	10.9	-0.5	-5.0
Riverside Labor Force Attachment	1678	8.6	5.8	2.8 **	48.3
Lacked high school diploma or basic skills	1012	7.6	3.6	3.9 ***	109.6
Riverside Human Capital Development	1350	7.8	3.6	4.2 ***	116.9
Columbus Integrated	728	10.9	10.2	0.7	6.5
Columbus Traditional	723	10.2	10.2	0.0	-0.1
Detroit	426	14.6	11.2	3.4	30.4
Oklahoma City	511	13.3	9.8	3.5	35.9
Portland	610	14.3	7.7	6.7 **	87.3
		B. For Those Employed at Interview			
Missed or late for work at interview (%)					
Atlanta Labor Force Attachment		*15.0*	*18.7*	*-3.7*	*-19.7*
Atlanta Human Capital Development		*22.0*	*18.7*	*3.2*	*17.2*
Grand Rapids Labor Force Attachment		*23.4*	*21.8*	*1.6*	*7.2*
Grand Rapids Human Capital Development		*21.3*	*21.8*	*-0.6*	*-2.7*
Riverside Labor Force Attachment		*21.1*	*16.8*	*4.3*	*25.6*
Lacked high school diploma or basic skills		*21.6*	*13.6*	*8.0*	*59.1*
Riverside Human Capital Development		*22.6*	*13.6*	*9.0*	*66.3*
Columbus Integrated		*22.3*	*24.8*	*-2.5*	*-10.0*
Columbus Traditional		*23.2*	*24.8*	*-1.6*	*-6.6*
Detroit		*35.1*	*33.5*	*1.7*	*5.0*
Oklahoma City		*27.9*	*21.5*	*6.4*	*30.0*
Portland		*28.9*	*22.1*	*6.9*	*31.2*

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 9.1.

Differences between program group and control group members (shown in italics) "For Those Employed at Interview" are not true experimental comparisons; statistical tests were not performed.

Chapter 10

Impacts on Children's Well-Being

This chapter examines the effects of the 11 welfare-to-work programs on the well-being of sample members' children. The analysis is performed on the sample of survey respondents. Program effects are presented for the behavioral adjustment and school progress of school-age children and on the health and safety of all children in the family. These findings are a first step toward an understanding of the relationship between mandatory welfare-to-work programs and children's well-being.

The well-being of children was important to the debate preceding passage of the Family Support Act and creation of the federal JOBS program. Policymakers argued variously that welfare-to-work policies or programs would not affect children because most aspects of the policies are directed at adult behavior; that changes in adult behavior caused by program participation and employment might affect children; that children of working mothers would benefit through improvement in mothers' self-esteem and ability to be a strong role model; or that mandatory participation requirements for families with young children might affect children negatively through changes in their home environment as parents work and through early nonmaternal child care. For example, there may be less maternal supervision, a higher incidence of latch-key children, or inadequate child care. However, very little empirical evidence informed these viewpoints.[1] While most mandatory welfare-to-work programs before JOBS required participation almost exclusively for families with children aged 6 or over, evaluations of these programs did not include measures of children's well-being.

The present evaluation is one of the first random assignment evaluations of mandatory welfare-to-work programs to examine the well-being of children in families who received Aid to Families with Dependent Children (AFDC).[2] Evaluating children whose parents are in mandatory welfare-to-work programs is important because the primary goal of AFDC was to provide government support for poor children. While the introduction of mandatory welfare-to-work programs in the mid 1980s began a fundamental shift in how this support was provided, it was not until the 1990s that there was serious enforcement of this mandate, especially for parents of younger children. Through mandatory welfare-to-work programs guaranteed public assistance is replaced for some families by assistance provisional upon work and participation requirements. These findings provide some evidence and suggest directions for further research that can inform policies that aim to balance the goals of increasing adult self-sufficiency and protecting children's well-being.

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[1] See Wilson, Ellwood, and Brooks-Gunn, 1995; Zaslow et al., 1995.

[2] The Child Outcomes Study (COS), conducted by Child Trends as part of the NEWWS Evaluation, also examines the effects of welfare-to-work programs on the children of LFA, HCD, and control group respondents in Atlanta, Grand Rapids, and Riverside. The COS uses a more comprehensive set of data about young children's development, but only for children aged 3 to 5 at random assignment. See McGroder et al., 2000. For a synthesis of the child research conducted thus far as part of the NEWWS Evaluation, see Hamilton, 2000.

I. Key Questions

- Do mandatory welfare-to-work programs affect children?
- Which of the three areas of children's well-being (health and safety, behavioral adjustment, or school progress) were affected by welfare-to-work programs?
- Do the effects differ by program approach?
- Can effects on children be linked to particular program practices or to a program's particular effects on mothers?

II. Analysis Issues

The measures of children's well-being analyzed in this chapter are referred to as *child outcomes*. They were collected as part of the Two-Year Client Survey and include measures of children's well-being likely to be affected by parents' enrollment in mandatory welfare-to-work programs. Parents were asked about their children's development and well-being in three areas: behavioral adjustment, school progress, and health and safety.[3] Behavioral and emotional adjustment was measured by asking parents if any of their children had been suspended from school, received or needed other help for behavioral or emotional problems, or were attending a special class or school for behavioral problems. School progress was measured by asking parents if any of their children had repeated a grade or were attending a class for learning problems. Health and safety was measured by asking parents if any of their children had been removed from their care or if any of their children had been taken to a hospital emergency room or a clinic as a result of an accident, injury, or poisoning. Parents were asked about their children in general, not about one specific child.

The evaluation uses child outcome measures from national surveys about children that have been shown in previous studies to be reliable and valid indicators of child development. Thus, the findings presented below allow for cross-project comparisons.

These measures provide important information but have limitations: they cover only broad aspects of children's development, and the parent was not asked to identify the children to which she referred in her responses. Therefore, these measures cannot be used to compare differences between younger and older children in a family. Also, several of the measures ask about school behavior and are valid only for children who have entered school. Questions about health and safety, however, are relevant to all the children in a family.

The ages of respondents' children varied, both within and across sites. It should be recalled that programs in Detroit, Grand Rapids, Oklahoma City and Portland required participation of parents with children as young as age 1, whereas Atlanta, Columbus, and Riverside limited participation to parents with children age 3 or over.[4]

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[3] The terms "well-being" and "development" are used interchangeably throughout this chapter.

[4] At random assignment, among survey respondents approximately 12 percent of families included a child aged

(continued)

Because certain questions pertain only to children of school age, the child impacts are presented for two groups of families: all respondents (sometimes referred to as the respondent sample or, simply, respondents) and a subgroup of respondents called "families with no children under age 6" (sometimes referred to as subgroup families or families with school-age children).[5] The respondent sample includes families with preschool-age as well as school-age children, and in some cases families had only preschool-age children. Impacts on behavioral adjustment and school progress for all respondents may be "diluted" because these younger children were not generally at risk of experiencing school-related problems.[6]

To get a clearer view of the impact of welfare-to-work programs on school-age children, results are presented for families with no children under age 6; this subgroup consists of approximately half of all families in the sample. Members of the subgroup tended to be somewhat older on average and more likely to have been married at an earlier point in their lives than other respondents whose youngest child was under age 6 at random assignment. Moreover, in most sites respondents with no children under age 6 were more likely to have worked for pay. Adult and child outcomes for this subgroup may differ from those estimated for all respondents because of these and other differences in background characteristics.

III. Key Findings

- There is evidence that welfare-to-work programs can affect children, although the effects were not large or consistent across outcome measures or programs. These early findings indicate that reforms directed at increasing adult self-sufficiency can indirectly influence children's well-being.
- The effects on children were both positive and negative, although neither effect was consistent or pervasive across programs or areas of children's well-being.
- There were no clear-cut differences in effects on child outcomes between employment- and education-focused programs. Neither approach consistently benefited or harmed children. There were some differences in the child effects between the two approaches within sites, but the patterns are not consistent enough to draw conclusions.[7]

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2 or under, 44 percent included a child aged 3 to 5, 56 percent included a child aged 6 to 11, and 39 percent included a child aged 12 to 18. These percentages sum to more than 100 because many parents had children in more than one age group.

[5] This subgroup represents families with no children under age 6 at random assignment. It is also possible for families with a preschool-age child to contain school-age children. During the follow-up period, however, a small percentage of respondents in this subgroup will have had additional children. Also, some children will have moved out of the respondents' home after random assignment. See Appendix C for more information about changes in household composition and about the well-being of preschool-age children.

[6] Attendance at a special class for behavioral problems or for learning problems may include some responses about preschool-age children.

[7] There may be differences in effects on children who have not yet entered school. This issue will be addressed by the data from the NEWWS Five-Year Survey and the NEWWS Children's School Progress Survey.

- The direction of the child effects tended to be either positive or negative within a program, but there were inconsistencies. The pattern is stronger in the sample with no children under age 6, but there was little consistency of results within the all respondent group. This pattern suggests that variations in program practices and policies may have different effects on families depending on ages of their children.
- Child effects also tended to be in the same direction across programs within sites, especially for families with no children under age 6, which suggests that site policies, such as child care and sanctioning, may be important in determining child effects, especially for school-age children. Although such site-specific policies could not be clearly linked to child effects, the patterns do suggest that this is an area worth pursuing in further research. Other factors, such as the labor market, may also be important.
- There is no clear-cut explanation of how programs affect children. Although definitive conclusions could not be drawn, the degree of association among program features, children's ages, adult impacts on education, employment and household composition, and child outcomes suggests potential pathways for further research. The findings suggest that the two most interesting areas for further research are child care policies and income changes. In addition, further research will need to take account of the environments (for example, labor markets) in which these programs operated.

IV. Why Might Mandatory Welfare-to-Work Programs Affect Children?

This section presents the rationale for studying children in adult-focused welfare-to-work programs. The most prevalent theory hypothesizes that mandatory welfare-to-work programs may affect the resources important to children's development either positively or negatively.[8] The resources available to children shape the daily experiences that contribute to their health, safety, and development. These resources can be material (for example, the housing in which they live) or social (for example, the interactions between mothers and children).[9] Thus, welfare-to-work programs that raise incomes might allow families to afford better and safer housing, or employment may improve a mother's self-esteem, enhancing her ability to be a role model for her children.[10] On the other hand, a working mother's reduced time at home may decrease her child care activities.

Figure 10.1 is a diagram of the theoretical model described above.[11] The pivotal center box represents impacts on adult outcomes targeted by welfare-to-work programs and hypothe-

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[8] See, for example, Wilson, Ellwood, and Brooks-Gunn, 1995; Zaslow et al., 1995.

[9] See Haveman and Wolfe, 1995.

[10] See, for example, Zaslow and Emig, 1997.

[11] The pathways in this model are shaped primarily from three sources: correlational studies of the relationship between income, employment, child care, and child outcomes; previous work by MDRC and others on interventions and their effects on income and employment; and the underlying "theories" about how welfare-to-work or employment policies might affect children. The model depicts the effects of parent actions on children, but not the effects of children on parents. This is likely an overly linear representation of the relationships between parents and children.

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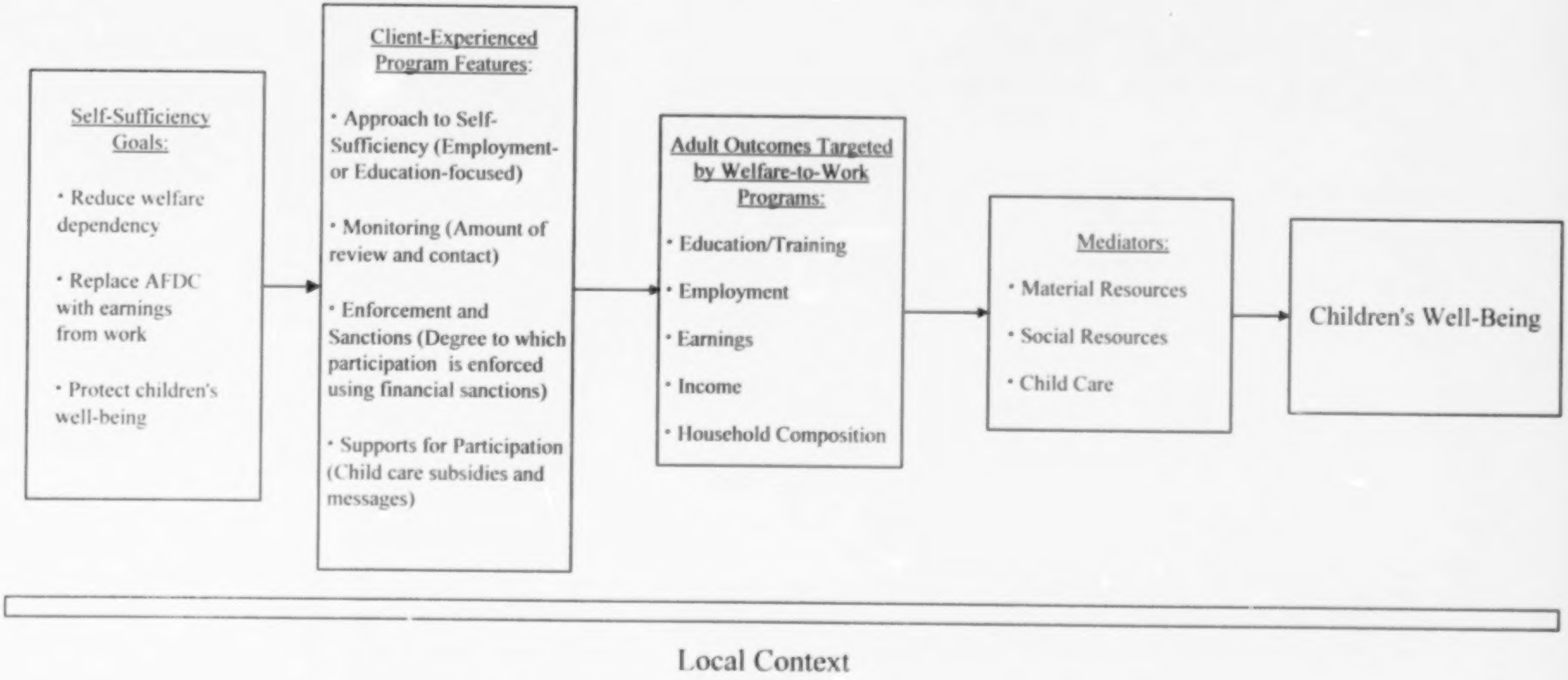
Figure 10.1
Welfare-to-Work Programs and Child Outcomes


Self-Sufficiency Goals:
• Reduce welfare dependency
• Replace AFDC with earnings from work
• Protect children's well-being
Client-Experienced Program Features:
• Approach to Self-Sufficiency (Employment- or Education-focused)
• Monitoring (Amount of review and contact)
• Enforcement and Sanctions (Degree to which participation is enforced using financial sanctions)
• Supports for Participation (Child care subsidies and messages)
Adult Outcomes Targeted by Welfare-to-Work Programs:
• Education/Training
• Employment
• Earnings
• Income
• Household Composition
Mediators:
• Material Resources
• Social Resources
• Child Care
Children's Well-Being
Local Context

sized to affect the mediating material and social resources (the box to the immediate right of the center box) that are important to children's well-being (the far right box). It is also expected that these resources and subsequent child outcomes will be influenced by the program features appearing in the box to the immediate left of the adult outcomes box.

In the context of this model it will be important to first establish that there are program effects on adults in the survey samples before determining whether there are effects on children's well-being. If impacts are not found on adult outcomes thought to be key to children's development, then child impacts found need to be interpreted with caution. Finally, the process through which the child impacts occur can be demonstrated by synthesizing the links between adult and child effects. The research design does not allow firm causal inferences to be made about the process through which mandatory welfare-to-work programs may affect children's well-being. The degree of association found among program features, adult impacts, and child outcomes found in this evaluation may, however, help develop hypotheses about these pathways that can be investigated through further research.

A. Client-Experienced Program Features

The four client-experienced program features that may be indirectly important to children according to this theoretical model are outlined in Figure 10.1. They are the approach to self-sufficiency (employment or education focus), monitoring (the amount of review and contact between program staff and parents), enforcement (the degree to which participation is enforced using financial sanctions), and supports for participation (the availability of child care subsidies and messages about which child care arrangements are most appropriate). As discussed in previous chapters, these four features differ across programs and may affect adult outcomes differently. Differences in impacts for adults may, in turn, affect the levels of material and social resources available to children and, ultimately, affect children's well-being. (The availability of child care may more directly influence mediators of children's well-being than the other features.) In addition, all of these features occur in a local context. For example, the availability of jobs may differ across regions, which may interact with programs effects.

B. Adult Impacts

As discussed above, it is important to first establish if there are any adult impacts for the survey samples used in the child analysis. As shown in Tables 10.1 and 4.1, there were program effects mainly on employment, earnings, income, and education. These effects will be discussed briefly here, and their likely influences on estimated child impacts will be discussed at the end of the chapter.

Employment. In this evaluation, changes in employment are the main pathway through which welfare-to-work programs could influence children. As shown in Table 10.1, among all respondents six programs increased the percentage of mothers who were employed over the two-year follow-up. Increases in employment were largest for Riverside (LFA) and Portland, both employment-focused programs. Five programs increased employment for families with no children under age 6. Across the 11 programs, employment decreased slightly only in Atlanta LFA and HCD (not statistically significant). Furthermore, in most programs employment increases were smaller for those in this subgroup.[12]

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[12] The Two-Year Client Survey did not ask about some aspects of mothers' employment that may have affected children, such as whether mothers worked in the evening or whether their hours changed frequently. Further, the analysis does not test for effects of job loss or job turnover on children.

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Table 10.1

Program Impacts on Adult Outcomes Theoretically Linked to Children's Well-Being for the Full Sample and for Families with No Children Under Age 6[a]

	Full Sample						
	Education	Employment	Earnings and Income			Household Composition	Child Care
Site and Program	Received a High School Diploma or GED (%)	Ever Employed During Two-Year Follow-Up (%)	Average Total Earnings in Years 1 and 2[b] ($)	Average Combined Income in Year 2[b] ($)	Income at or Above Poverty Level in Year 2[b] (%)	Single Parent Living Only with Children (%)	Used Paid Child Care While Employed (%)
Atlanta Labor Force Attachment	0.9	1.9	813 ***	191	1.6	4.2 *	5.8 ***
Atlanta Human Capital Development	1.0	1.4	496 **	235	2.0 *	2.9	4.2 **
Grand Rapids Labor Force Attachment	-1.8	8.4 ***	1035 ***	-303 **	1.2	-0.7	7.4 ***
Grand Rapids Human Capital Development	2.5 **	3.6	580 **	-91	0.3	-0.2	-0.3
Riverside Labor Force Attachment	-0.3	16.0 ***	1276 ***	-358 ***	1.0	2.4	7.9 ***
Lacked high school diploma or basic skills	-0.9	19.3 ***	992 ***	-593 ***	0.2	2.2	10.9 ***
Riverside Human Capital Development	8.3 ***	9.4 ***	317	-619 ***	0.2	-0.5	6.6 ***
Columbus Integrated	2.1	8.2 **	673 **	-41	0.0	-0.1	5.5 *
Columbus Traditional	3.3 **	3.0	677 ***	29	0.3	-4.4	2.4
Detroit	1.5	7.5	367 *	101	1.2	1.5	13.0 ***
Oklahoma City	3.4	7.7 **	5	-137	0.5	5.5	6.6 *
Portland	4.3 **	10.7 ***	1842 ***	238	4.0 ***	-6.7	11.9 ***

(continued)

Table 10.1 (continued)

	Families with No Children Under Age 6[a]						
	Education	Employment	Earnings and Income			Household Composition	Child Care
Site and Program	Received a High School Diploma or GED (%)	Ever Employed During Two-Year Follow-Up (%)	Average Total Earnings in Years 1 and 2[b] ($)	Average Combined Income in Year 2[b] ($)	Income at or Above Poverty Level in Year 2[b] (%)	Single Parent Living Only with Children (%)	Used Paid Child Care While Employed (%)
Atlanta Labor Force Attachment	1.3	-0.7	914 ***	258	2.2	5.4 *	3.5
Atlanta Human Capital Development	0.5	-0.1	667 **	275	2.2	4.4	3.8 *
Grand Rapids Labor Force Attachment	-2.2	4.6	624	-608 **	-0.5	0.3	4.8
Grand Rapids Human Capital Development	1.4	3.5	151	-430	-0.9	-4.2	-4.0
Riverside Labor Force Attachment	-1.2	12.9 ***	963 ***	-602 ***	-0.7	2.1	3.4
Lacked high school diploma or basic skills	-1.7	17.4 ***	986 **	-689 **	-1.1	5.4	7.7 ***
Riverside Human Capital Development	6.1 ***	8.2 **	168	-832 ***	-1.1	1.6	2.3
Columbus Integrated	1.3	8.4 *	414	-196	-0.5	0.5	4.3
Columbus Traditional	3.4 *	4.6	477	-14	-0.6	-4.7	3.4
Detroit	-2.3	15.3 **	539	-63	2.7	1.4	11.2 **
Oklahoma City	0.8	5.9	-54	-341 **	-0.2	16.6 **	-1.2
Portland	1.6	14.4 **	1378 ***	107	1.7	-7.4	12.8 **

(continued)

Table 10.1 (continued)

SOURCES: MDRC calculations from the Two-Year Client Survey and from unemployment insurance (UI) earnings, AFDC, and Food Stamp records.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] The subgroup includes families in which all of the children were at least age 6 at random assignment. Post-random assignment families may have had additional children and some children may no longer be in the household.

[b] Administrative records-based; all other measures are survey-based. In addition, the sample for these measures includes all individuals in the full impact sample and not just those in the client survey sample.

Earnings. As discussed in Chapter 5, nine programs increased total earnings in year 2 among all respondents. Similar to the impacts on employment, two-year earnings gains were generally smaller for the families with no children under age 6.

Total income. These earnings increases were offset by decreases in welfare receipt, resulting in little improvement (and even some decreases) in total income (see Table 10.1). In other words, across several programs earnings from work replaced lost public assistance but did not exceed these losses. In addition, Grand Rapids LFA, Riverside LFA and HCD, and Oklahoma City produced moderate to large reductions (of 6 to 10 percent) in average combined income from earnings, welfare payments, and Food Stamps for families with no children under age 6 that exceeded the decreases for the full sample.[13]

AFDC grants can also be reduced because of the imposition of financial penalties for individuals who do not comply with the participation requirements. As discussed in Chapter 4, both programs in Columbus and Grand Rapids were very enforcement-oriented, issuing sanctions for noncompliance to about 30 percent of the program group members. At the other extreme, the two low enforcement education-focused programs (Detroit and Oklahoma City) sanctioned almost no program group members. Sanction rates of between 10 and 20 percent were recorded for the remaining programs. (See Table 4.1.) Families headed by a welfare recipient who received a sanction experienced a direct loss in income from reductions in their welfare grants. In addition, sanctions or the threat of sanctions may have affected families indirectly — for example, by inducing a mother to search harder for a job, to accept a job offer she might otherwise have passed up, or even to leave welfare in advance of employment.

Educational attainment. In several programs there were increases in receipt of a high school diploma or GED. Such impacts on educational attainment may change the educational environment in the home or allow parents to be strong role models for their children.[14] Increases in the percentage of parents who had received a high school diploma or GED were small to moderate among all respondents.[15] For the subgroup of families with no children under age 6, increases were somewhat smaller. As expected, the program effects on educational attainment were larger in the education-focused programs, which may create differences in child effects between education- and employment-focused programs. (The exception is Portland, an employment-focused program that had an impact comparable to some of the education-focused programs.)

How well were children doing whose parents were not assigned to a mandatory welfare-to-work program?

As shown in Appendix Tables C.1 and C.2, most children were living alone with a single parent at the two-year follow-up. Their families tended to be small (approximately two to three children on average). Only 11 percent of respondents, on average, had another child since random assignment.

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[13] These measures are for the larger impact sample.

[14] See Haveman and Wolfe, 1995.

[15] Findings for several programs also include large increases in participation and moderate to large increases in degree attainment for sample members without high school diplomas or GED certificates at the time of random assignment (see Chapter 4).

The makeup of children's households differed across sites and reflect the differences in populations served. For example, in Atlanta and Detroit, where there was a large African-American community, many children were living with their mother and extended family. In Grand Rapids the pattern of living with extended family was relatively rare. "Doubling up," or children living with their mother and nonrelated people, was uncommon across programs. A number of children were no longer living with their mother, but not all of these children had been removed from her care.

Table 10.2 summarizes the child outcomes for children whose mother was in the control group. This table includes summary measures for all respondents and for families with no children under age 6. Compared with children across the nation, the children of control group members in the full sample were progressing less well in school. The national average for repeating a grade is approximately 10 percent for those aged 5 to 18.[16] Across most of the sites the percentage of children who had repeated a grade was higher than the national average. (Portland was an exception with only 6.5 percent of the children repeating a grade.)

Among families with no children under age 6, 16 percent of the children had repeated a grade. In addition, the suspension rates among this sample were high. On average, 25 percent of the school-age children across the sites had been suspended from school over the two-year follow-up period. Suspension from school is a measure of children's overall emotional and behavioral adjustment.

V. Did Mandatory Welfare-to-Work Programs Affect Children?

Table 10.3 summarizes the impacts of the 11 welfare-to-work programs on the well-being of respondents' children on health and safety, behavioral adjustment, and school progress. Impacts are presented separately for two samples: all respondents and the subgroup of families with no children under age 6. All impacts discussed are statistically significant unless otherwise noted. As discussed above, program effects on behavioral adjustment and school progress are presented for all children but really pertain only to children who attended kindergarten or a higher grade during the follow-up.

What were the program effects on children's health and safety?

Across the 11 programs there were very few effects on children's health and safety. As shown in Table 10.2, the proportion of control group families among all respondents who had a child removed from care was relatively low (approximately 4 percent, on average). About a third of all control group respondents had taken a child to a hospital emergency room or clinic for an accident, injury, or poisoning.

Table 10.3 shows that there was a small increase in the percentage of all respondents whose children were removed from mother's care in the Columbus Traditional program (2.5 percentage points). Among families with no children under age 6 the child effect on removal from care was a notable 6 percentage points in Columbus Traditional and 4 percentage points in Grand Rapids HCD. Across both samples there were no statistically significant program effects on the percentage of families who had used an emergency room to obtain medical care for their children.

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[16] The national statistics in this paragraph are from U.S. Department of Education, 1997.

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Table 10.2

Child Outcomes[a] for Control Group Families in the Full Sample and for Families with No Children Under Age 6

		Full Sample							
		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attends a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attends a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta	1086	23.1	17.2	8.5	19.3	12.5	2.6	21.5	14.5
Grand Rapids	584	18.2	31.2	14.6	12.1	28.9	4.8	33.6	20.4
Riverside Labor Force Attachment	1114	15.6	22.5	5.0	10.5	21.6	3.8	30.7	13.9
Riverside Human Capital Development	729	18.5	21.4	6.0	12.6	22.8	3.9	28.5	15.8
Columbus	357	27.6	26.5	11.7	16.9	27.4	3.3	33.5	25.8
Detroit	216	20.9	11.9	4.1	12.5	12.1	1.3	18.1	8.4
Oklahoma City	252	16.1	19.8	5.3	16.5	22.3	3.8	36.7	16.7
Portland	313	20.0	35.6	13.2	6.5	28.0	7.7	34.4	21.9

(continued)

Table 10.2 (continued)

		Families with No Children Under Age 6[d]								
		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attends a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attends a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta	549	29.6	19.7	9.3	19.2	14.2	3.2	20.9	17.0
Grand Rapids	253	25.7	34.4	13.8	14.4	31.6	4.5	32.0	23.0
Riverside Labor Force Attachment	592	21.6	25.1	6.1	11.4	23.6	3.6	29.0	16.0
Riverside Human Capital Development	385	26.4	21.4	6.4	14.4	20.8	4.1	24.3	16.2
Columbus	187	35.1	27.4	14.1	22.0	31.2	1.9	28.3	29.8
Detroit	84	34.7	16.1	6.2	19.0	17.1	1.4	12.5	12.9
Oklahoma City	83	26.4	17.5	8.2	22.6	32.5	4.5	33.1	22.3
Portland	118	33.7	44.5	16.6	7.7	29.2	9.3	29.9	24.9

(continued)

Table 10.2 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

[a] Families are asked broad questions about any of the children in their family. The answers are not linked to a particular child within the family.

[b] "Behavior or Emotional Problems" includes both respondents who reported that any of their children received help for behavioral or emotional problems and respondents who felt that any of their children needed to get this kind of help, if they were not already receiving it.

[c] Respondents were asked if their child was removed from their care because they couldn't care for or handle them.

[d] Includes families in which all the children were at least age 6 at random assignment. Post-random assignment families may have additional children and some children may no longer be in the household.

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Table 10.3

Program Impacts on Child Outcomes[a] for the Full Sample and for Families with No Children Under Age 6

		Full Sample							
		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attends a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attends a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta Labor Force Attachment	1890	-2.7	-2.8 *	-3.3 ***	-2.1	0.3	-0.6	0.4	-3.0 **
Atlanta Human Capital Development	2199	0.7	-2.4	-0.1	-3.1 *	-0.5	-0.5	-0.2	-1.3
Grand Rapids Labor Force Attachment	1158	2.1	-0.3	1.3	3.0	-1.5	-0.6	-0.4	3.7
Grand Rapids Human Capital Development	1158	-0.4	0.4	0.7	0.5	0.4	1.0	-3.1	3.4
Riverside Labor Force Attachment	1678	6.6 ***	2.4	3.0 ***	-2.3 *	1.0	-0.6	-0.3	2.1
Lacked high school diploma or basic skills	1012	3.4	-0.6	2.0	-3.1	-0.9	-0.2	-2.8	-1.4
Riverside Human Capital Development	1350	-0.7	-1.1	1.9	-0.9	-2.3	-0.4	-0.6	-1.3
Columbus Integrated	728	-2.0	-1.3	-2.8	0.1	-8.3 ***	0.6	-3.8	-6.3 **
Columbus Traditional	723	1.9	1.3	-0.3	-0.4	0.1	2.5 *	-2.4	-0.4
Detroit	426	-2.9	2.9	0.2	-3.0	-0.8	0.7	1.4	3.3
Oklahoma City	511	-0.9	3.8	-0.3	-1.8	-3.1	0.5	2.2	-1.2
Portland	610	-4.3	-6.3	-2.8	-0.7	-2.1	-2.3	-0.6	-3.4

(continued)

Table 10.3 (continued)

		Families with No Children Under Age 6[d]							
		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attends a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attends a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta Labor Force Attachment	941	-3.5	-4.4 *	-4.0 **	-1.4	-1.2	-1.6	-1.9	-5.1 **
Atlanta Human Capital Development	1117	0.1	-2.5	1.1	0.1	0.0	-0.7	0.9	-0.3
Grand Rapids Labor Force Attachment	520	4.9	1.9	9.5 ***	4.2	3.5	-0.2	-1.3	12.7 ***
Grand Rapids Human Capital Development	514	1.9	3.7	8.7 **	-0.2	4.8	4.0 *	-1.7	9.2 **
Riverside Labor Force Attachment	927	6.8 **	-2.3	3.7 **	-3.2 *	-0.5	-0.2	1.4	2.4
Lacked high school diploma or basic skills	548	2.2	-2.6	3.9	-3.9	2.8	-0.1	-2.5	2.4
Riverside Human Capital Development	732	1.5	1.1	5.1 **	-1.8	3.8	1.4	-0.1	1.7
Columbus Integrated	393	-3.1	-6.7	-5.9 *	-3.2	-10.1 **	1.2	2.5	-9.5 **
Columbus Traditional	400	3.7	2.7	-1.6	-3.6	-3.3	6.0 ***	4.8	-1.0
Detroit	160	-2.1	1.6	2.8	-1.9	0.8	1.1	9.1	7.1
Oklahoma City	182	11.1	17.3 **	2.0	5.9	-3.3	1.8	-0.3	6.5
Portland	221	-9.4	-11.3 *	-2.5	-1.2	-0.2	-1.7	3.0	0.7

(continued)

Table 10.3 (continued)

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times "difference" divided by "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] Families are asked broad questions about any of the children in their family. The answers are not linked to a particular child within the family.

[b] "Behavior or Emotional Problems" includes both respondents who reported that any of their children received help for behavioral or emotional problems and respondents who felt that any of their children needed to get this kind of help, if they were not already receiving it.

[c] Respondents were asked if their child was removed from their care because they couldn't care for or handle them.

[d] Includes families in which all the children were at least age 6 at random assignment. Post-random assignment families may have had additional children and some children may no longer be in the household.

What were the program effects on school-age children's behavioral adjustment?

Table 10.3 also presents program effects on the behavioral adjustment and school progress for the two samples (all respondents and families with no children under age 6). Although the effects were not pervasive across programs or outcomes, there were more effects on school-age children's behavioral adjustment than would have been expected due to chance.[17]

Specifically, among all respondents, only Atlanta and Riverside LFA produced statistically significant effects on the incidence of adverse behavioral outcomes, and the effects were in opposite directions for those two programs. Atlanta LFA produced small reductions in the proportion of families with a child who required help for behavioral or emotional problems (2.8 percentage points) and in the proportion of families with a child who attended a special class for these problems (3.3 percentage points). Riverside LFA produced an *increase* (3.0 percentage points) in attendance in a special class for behavioral problems.

As discussed earlier, any effects on school-based behavioral measures that do occur are more likely to be observed for families with no children under age 6. In fact, eight programs produced at least one statistically significant effect for this subgroup. Three programs decreased the incidence of some behavioral problems, and five increased their frequency (see Table 10.3).

Some of these effects on families with no children under age 6 represent improvements in children's well-being. Atlanta LFA reduced the proportion of subgroup families with a child who required help for behavioral or emotional problems by 4.4 percentage points and the proportion who attended a special class for behavioral problems by 4.0 percentage points. Columbus Integrated reduced the proportion with a child who attended a special class for behavioral problems by 5.9 percentage points, and Portland decreased the proportion with a child who required help for behavioral or emotional problems by 11.3 percentage points.

Other effects on families with no children under age 6 were unfavorable. Grand Rapids and Riverside (both employment- and education-focused programs in those sites) produced small to moderate increases in the proportion of subgroup families with a child who attended a special class for behavioral problems (effects ranged from 3.7 to 9.5 percentage points across these four programs). Riverside LFA also increased the proportion of subgroup families with a child who was suspended by 6.8 percentage points. Oklahoma City produced a 17 percentage point increase in the proportion of subgroup families with a child who required help for behavioral or emotional problems. (Although it was not statistically significant, Oklahoma City produced an 11 percentage point increase in the proportion of subgroup families with a child who was suspended from school.)

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[17] The Tippet and Fisher tests, developed in the literature on research synthesis (Cooper and Hedges, 1994), were utilized to determine whether any child impact estimates could be considered statistically significant in view of the large number of programs examined. These tests were applied to all 11 program estimates for a single child outcome (excluding the Riverside LFA estimate for sample members lacking a high school diploma or basic skills to avoid duplication). A statistically significant result on one of these tests indicates that at least one impact on that child measure is statistically significant, even with the large number of programs involved. These tests tend to be quite conservative in indicating statistical significance. Nevertheless, for all respondents statistically significant results were found for "Suspended," "Attends a Special Class for Behavioral Problems," "Attends a Special Class for Learning Problems," and the final composite measure. For the families with no children under age 6, statistically significant results were found for "Behavioral or Emotional Problems," "Attends a Special Class for Behavioral Problems," "Removed from Mother's Care," and the final composite measure.

What were the program effects on school-age children's school progress?

Fewer program effects were found for school progress than for behavioral adjustment, but all were favorable (shown in Table 10.3). Among all respondents Atlanta HCD decreased the proportion of families with a child who repeated a grade during the follow-up by 3 percentage points. Similarly, there was a small reduction (2.3 percentage points) in grade repetition for Riverside LFA. In Columbus Integrated there was a moderate improvement in the percentage of families with a child who attended a class for learning problems.

Among families with no children under age 6 Riverside LFA and Columbus Integrated produced larger effects on school progress outcomes than were seen for all respondents. Riverside LFA reduced grade repetition by 3.2 percentage points; Columbus Integrated reduced the proportion of families with a child who attended a special class for learning problems by 10.1 percentage points.

VI. Do Program Effects for Children Differ by Approach?

This section examines child effects from different programs using the classification outlined earlier in the report (high enforcement employment-focused, high enforcement education-focused, and low enforcement education-focused). The theoretical model presented in Figure 10.1 will be used to develop hypotheses about the factors contributing to the pattern of program effects. As discussed earlier, these hypotheses can suggest directions for further research, but causality should not be strongly inferred.

A. High Enforcement Employment-Focused Approaches

Across the four employment-focused programs (Atlanta, Grand Rapids and Riverside LFA, and Portland) there were child effects, although impacts were not large or widespread across programs and outcomes. Six of 12 possible behavioral adjustment outcomes (three outcomes for each of four programs) were found for children in families with no children under age 6. The direction of the effects on school-age children's behavioral adjustment was mixed among the four programs: some improvements and some declines. As will be discussed below, these effects tended to appear in the same direction within programs, however.

Improvements were noted in children's behavioral adjustment in Atlanta LFA and Portland. Specifically, among all respondents Atlanta LFA produced a small decrease (approximately 3 percentage points) in the proportion of families with a child who required help for behavioral or emotional problems and a similar reduction for families with a child who attended a special class for behavioral problems. These effects were slightly larger among families with no children under age 6 (approximately 4 percentage points). Also, among this subgroup of families Portland produced a large decrease (11.3 percentage points) in the proportion of families with a child who required help for behavioral or emotional problems.

The opposite pattern (adverse effects on behavioral adjustment) was found for Grand Rapids and Riverside LFA. Among all respondents no effects on behavioral adjustment were found for Grand Rapids LFA. In the subgroup of families with no children under age 6, however, Grand Rapids LFA produced a moderate increase (9.5 percentage points) in the proportion of families with a child who attended a special class for behavioral problems. Riverside produced moderate increases in the proportion of families with a child who had been suspended (nearly 7 percentage points for both groups) and small increases for families with a child who attended a special class for behavioral problems (about 3 to 4 percentage points for both groups).

Across the four employment-focused programs there was only one effect on children's school progress: in Riverside LFA a small decrease in the proportion of families with a child who had repeated a grade (about 2 to 3 percentage points for both groups).

There were no impacts on children's health and safety (measured as removal from the home or visits to the emergency room) found among the four employment-focused programs.

B. High Enforcement Education-Focused Approaches

Among these five programs (Atlanta, Grand Rapids and Riverside HCD, and Columbus Integrated and Traditional) child effects for all respondents were few. Specifically, out of 10 possible outcomes on school progress, two produced impacts: Atlanta HCD reduced the proportion of families with a child who repeated a grade (3 percentage points) and Columbus Integrated decreased the proportion of families with a child who attended a special class for learning problems (8.3 percentage points). Out of the 10 measures of health and safety only one child effect was found: the Columbus Traditional program slightly increased the proportion of families with a child who was taken from the mother's care (2.5 percentage points).

In the subgroup of families with no children under age 6 an impact was found on one of the 10 possible school progress measures. Columbus Integrated reduced the proportion of families with a child who attended a special class for learning problems by 10 percentage points. Impacts were also noted for two out of 10 possible health and safety outcomes. Both Grand Rapids HCD and Columbus Traditional increased the proportion of subgroup families with a child who was removed from the mother's care (4 and 6 percentage points, respectively). Finally, out of 15 possible behavioral adjustment outcomes across these five programs, three produced impacts. Grand Rapids and Riverside HCD each increased the proportion of subgroup families with a child who attended a special class for behavior problems (8.7 and 5.1 percentage points, respectively). Columbus Integrated, however, reduced the proportion by 5.9 percentage points.

C. Low Enforcement Education-Focused Approaches

Among all respondents no child effects were found for Detroit and Oklahoma, the two low enforcement education-focused programs. In the subgroup of families with no children under age 6, there was only a single statistically significant impact out of 15 possible behavioral adjustment outcomes; no other effects were found in any area of children's development for this subgroup. Specifically, Oklahoma City increased the proportion of families with a child who was getting or needed to get help for behavioral problems by 17.3 percentage points. This program also increased the incidence of suspension by 11 percentage points (though this was not statistically significant).

Oklahoma City was somewhat of an anomaly. Although there were no employment impacts on "on-the-book" jobs in Oklahoma City, there seemed to be increases in short-term or "off-the-book" jobs (see Chapter 5).[18] The program message of self-sufficiency may have pushed more families to take these types of jobs. One possible explanation for the relatively large increase in behavioral problems in Oklahoma City is the possibility of job instability from the types of jobs described. There is evidence in the child development literature that children may be affected by instability in employment.[19]

VII. Are Program Effects on Children Similar Across Programs Within Sites?

There is some evidence that effects on children may be similar across two programs run in a single site. In this evaluation four sites ran two programs: Atlanta, Grand Rapids, Riverside, and Columbus. Simple correlation coefficients were calculated between the seven child outcomes for both programs in each site. Correlation coefficients may vary between -1.00 and +1.00. A moderate correlation coefficient in this instance would exceed 0.30, and a large one would exceed 0.50.[20] A positive and large correlation coefficient would indicate that most child impacts are in the same direction for both programs in a site. Among all respondents these correlations were positive but mostly small, the largest being about 0.41 (in Riverside).[21] For the families with no children under age 6, the correlations were larger: 0.30 in Atlanta, 0.65 in Grand Rapids, 0.91 in Riverside, and 0.71 in Columbus. These findings suggest that site policies, such as child care and sanctioning, may be important in determining child effects, especially for school-age children. The next section discusses this possibility.

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[18] The employment impacts estimated in Table 5.2 use statewide unemployment insurance (UI) earnings records, which capture only earnings reported to the government by employers (on-the-book jobs). As shown in Table 5.2, there was no employment impact in Oklahoma City according to this measure. On the other hand, the employment impacts in Table 5.5 are estimated using the Two-Year Client Survey, in which respondents were asked to report on any jobs, including self-employment and casual or short-term work not reported to the UI system (off-the-book jobs). The employment impact estimate according to the Two-Year Client Survey differs from the UI impact measure in Oklahoma City; there is a 7.7 percentage point increase.

[19] See McLoyd et al., 1994.

[20] See Cohen, 1977, for discussion of small, moderate, and large correlations. Only the correlation coefficient for Columbus was statistically significant.

[21] As discussed elsewhere, in Riverside existing statewide rules mandated that only individuals who were "in need of basic education," defined as not having a high school diploma or GED, having low scores on a welfare department-administered math or reading literacy test, or lacking proficiency in English, could be assigned to the HCD group. The LFA group in that site, however, includes both those determined to be "in need" and "not in need." For the measures included in this section, results for the segment of the Riverside LFA group who were determined to be in need of basic education are included so that direct comparisons between the LFA and HCD groups in that site can be made. Therefore, in Riverside the reported correlations are estimated on the "in need" subgroup in the LFA and HCD programs. Further, direct comparisons of results between the Riverside HCD program and those of other programs in this evaluation can be made only with those who lacked a high school diploma or GED.

VIII. Did Differences Emerge in Child Effects Across Programs in Atlanta, Grand Rapids, and Riverside?

There were no clear differences in child effects between the Labor Force Attachment and Human Capital Development approaches in the three sites (Atlanta, Grand Rapids, and Riverside) that allowed for direct comparison of the two program approaches. Although the patterns appeared in some cases to differ across approaches, the differences were not systematic enough to draw firm conclusions. For example, in Atlanta improvements in children's behavioral adjustment occurred for the LFA program only. The differences between the two approaches, however, were not large enough to conclude that one approach was better than the other. Moreover, the same pattern did not occur in Grand Rapids or in Riverside. In these two sites moderate increases in behavioral problems occurred across both approaches.[22]

Did any programs produce positive or negative effects across different types of child outcomes?

As shown in Table 10.3, program-control group differences in several programs tended to run in the same direction, either positive or negative. (These results include differences that did not attain statistical significance.) This pattern appears more often for families with no children under age 6. For example, Atlanta LFA outcomes for this subgroup show a series of small decreases in the percentage of families who have a child with a problem in every one of the selected areas of children's development. More generally, one can test (albeit informally) whether differences tend to run in the same direction by noting which programs had at least five program-control group differences of at least 1 percentage point that ran in the same direction (positive or negative), irrespective of statistical significance. As shown in Table 10.3, seven programs meet this test. For three of the programs (Atlanta LFA, Columbus Integrated, and Portland), these differences constituted improvement in child outcomes (that is, lower incidence of outcomes detrimental to children). The opposite pattern occurred for Grand Rapids LFA and HCD, Riverside HCD, and Oklahoma City.

What might explain the observed child effects?

A number of program features and adult impacts have been suggested as possible contributors to effects on children. The evidence from this evaluation does not support any one of these features or impacts as a primary explanation of child impacts, but two of the most interesting areas for further investigation are child care policies and income changes. Note that the following discussion compares, in all cases where the measures permit it, adult impacts for the full impact sample to child impacts for the client survey sample.

Program approach: employment-focused versus education-focused. As discussed earlier, the evidence does not indicate whether an employment- or education-focused program approach achieves more favorable impacts on children. One reason for the absence of pronounced and systematic differences across approaches may be that particular features of programs may differ *within* a single approach. For example, among the four employment-focused programs the message about the kind of initial job that parents should take differed. Riverside LFA and Portland were at either end of the continuum. Riverside LFA encouraged parents to take a part-time or temporary job, whereas Portland encouraged parents to wait to get a "good" job.[23] Future research may benefit from examining programmatic differences in greater detail.

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[22] For Riverside, the most relevant LFA-HCD comparison is between the LFA nongraduate group and HCDs, who were mostly nongraduates. For these two groups, no child effects were found for the full sample. For the familes with no children under age 6, there was one adverse effect for Riverside HCD (on attendance in a special class for behavioral problems); the effect for the LFA nongraduate group was in the same direction but was not statistically significant.

Site child care policy. Most programs produced an increase in the use of paid child care, but varied to the extent that it was a function of employment. In some programs increased use of child care was due almost entirely to the fact that more people were employed. In other programs use increased because employed program group members used paid child care more often than employed control group members.

At the same time, sites differed in their messages about supports for participation-related child care. Although the differences in these messages could not be conclusively linked to child effects, the evidence suggests that child care policies may be a determinant of child outcomes for some programs and warrant further study. For example, in Atlanta and Portland child care assistance was a high priority for program staff. Atlanta, however, offered reimbursement only for care given by licensed providers; Portland did not emphasize specific kinds of child care arrangements. Notwithstanding these differences, in both programs effects on children's behavioral adjustment were mostly in the "favorable" direction, although not all effects were statistically significant.

In contrast, clients in Grand Rapids were encouraged to make their own arrangements and were told that a variety of child care arrangements would be reimbursed, and clients in Riverside were encouraged to use low-cost child care arrangements. Some adverse child effects on behavioral adjustment were observed in these sites.

On the other hand, as noted in Chapter 3, case managers in the low enforcement education-focused programs in Detroit and Oklahoma City also placed a high priority on securing child care for enrollees. These programs, however, produced no positive outcomes for children.

Enforcement and sanctioning. There is no obvious relationship between the frequency with which programs imposed sanctions and the pattern of child outcomes. Grand Rapids and Columbus sanctioned most heavily. Some adverse child impacts on attendance in a special class for behavioral problems were found for Grand Rapids, especially for the families with no children under age 6, but the opposite effect was found for the same subgroup in Columbus Integrated. There were, however, increases in removal of a child from the mother's care for both Grand Rapids HCD and Columbus Traditional. It should also be noted that adverse effects on children were found in both Riverside programs (moderate level of sanctioning) and in Oklahoma City (low level of sanctioning). Further, two programs that recorded a moderate level of sanctioning (Atlanta LFA and Portland) attained generally positive effects on child outcomes.

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[23] For results on Riverside see Hamilton et al., 1997, p. 65, and Appendix Table C.1. For Portland see Scrivener et al., 1998, p. 29.

Adult educational impacts. For all respondents, and for families with no children under age 6, impacts on parents' receipt of a high school diploma or GED certificate appear not to be associated with favorable effects on children (compare Tables 10.1 and 10.3). The largest impacts on diploma and GED attainment in the survey sample were found for Riverside HCD, for all respondents and for the families with no children under age 6. Both of these subgroups failed to show any beneficial and statistically significant effects on children. Other programs and subgroups that showed smaller but still statistically significant impacts on diploma or GED attainment also failed to show any beneficial and statistically significant effects on children. This finding remains valid even when the sample is limited to respondents without a high school diploma or GED certificate at random assignment (results not shown).

Employment impacts. Programs with larger employment impacts did not appear to have consistently beneficial or adverse effects on children (compare Tables 10.1 and 10.3).[24] For all respondents the large employment impact for Riverside LFA corresponded to some adverse child effects on behavioral adjustment, but the large employment impact for Columbus Integrated corresponded to improved child outcomes in behavioral adjustment and school progress. The other four programs that showed employment impacts for all respondents showed no statistically significant child effects. For the families with no children under age 6 the large employment impacts in the Riverside LFA and HCD programs corresponded to adverse effects on child behavioral adjustment, but the large employment impacts for Columbus Integrated and Portland corresponded to improved child outcomes in child behavioral adjustment and, for Columbus Integrated, a reduction in attendance in a special class for learning problems. Also, for families with no children under age 6, the Detroit program showed a large employment impact but no statistically significant child effects.

Impacts on income. Some relationship may exist between income and child effects in these data. In particular, instances in which increases in earnings do not fully compensate for losses in welfare payments may produce adverse effects on some child outcomes (compare Tables 10.1 and 10.3). This relationship is not clearly evident among all respondents. For that sample, there were statistically significant decreases in average combined income in year 2 for three programs, but only one of these (Riverside LFA) showed any adverse child effects. The relationship is more evident in the subgroup of families with no children under age 6. Grand Rapids, Riverside LFA and HCD, and Oklahoma City showed statistically significant decreases in average combined income in year 2, and all of them showed at least one adverse effect on a child outcome. No programs showed a statistically significant *increase* in the combined income measure for either subsample, so it is not clear whether greater income might be associated with improved child outcomes. These results do suggest, however, that improved job quality, which is linked to greater earnings and thereby to greater total income, may be an important area to investigate in connection with improved child outcomes. For instance, Portland's program, which increased employment, earnings, job quality, employment stability, and income above poverty levels also produced generally beneficial outcomes for children.

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[24] Note that this analysis compared client survey-based employment impacts to child impacts for the client survey sample.

Impacts on household composition. As shown in Table 10.1, there are very few impacts on household composition, suggesting that other adult outcomes affected child outcomes more. It is worth noting, however, that a large increase in single parents living only with their children was found in Oklahoma City for families with no children under age 6, and the same subgroup showed a large negative effect on behavioral or emotional problems (Table 10.3). On the other hand, a change in household composition in the same direction, although much smaller, was found for this subgroup in Atlanta LFA, as well as some *positive* child effects.

Chapter 11

Two-Year Impacts by Levels of Disadvantage

Which types of programs work best for whom is one of the most important questions about welfare-to-work programs. So far, this report has primarily assessed the results of alternative welfare-to-work strategies for *all* sample members. This chapter looks at whether welfare-to-work programs produced consistent results across a variety of subgroups who represent different levels of disadvantage. It also provides a more detailed discussion of program impacts for specific subgroups, focusing first on program effects for recipients who did not have a high school diploma or GED at study entry versus those who did. The chapter then examines program impacts for the "most disadvantaged" segment of the research sample, recipients who face multiple barriers to work. This subgroup is defined as those who (a) did not work in the year prior to random assignment, (b) and had been on welfare for two years or more prior to random assignment, (c) and did not have a high school diploma or GED at study entry. The section then explores program impacts for recipients who did not have any recent work experience, who are considered "moderately disadvantaged." The section then assesses whether programs helped recipients who had worked in the year prior to study entry and who were therefore more likely to find work on their own. Subgroups based on age of child are addressed earlier in Chapter 10.

Subgroup impacts have important policy implications. Recipients who are more disadvantaged and who are likely to have the most difficulty finding a job will be particularly at risk of income reductions if they lose eligibility for benefits under TANF. Programs that show positive effects for these recipients serve as good models under time-limited welfare, whereas programs that produce only modest effects for these recipients may be problematic. At the same time, programs that produce impacts, especially on long-term earnings, for recipients with a wide range of background characteristics should be considered particularly successful and may have features that are worth emulating.

Results for more job-ready recipients are also of interest. It is an open question as to whether welfare-to-work programs can help recipients who are likely to find employment on their own *without* program assistance. Programs may only be able to assist these individuals in securing jobs more quickly than they would have otherwise, which would not be a long-term program effect. Consequently, policymakers disagree as to whether programs should target and spend scarce resources on these individuals as opposed to those with greater disadvantages in the labor market. On the other hand, it is quite possible that programs might help job-ready recipients find *higher-quality* jobs, which could very well have substantial positive effects on long-term earnings. The results for job-ready subgroups can inform this debate, which is likely to become more heated as states try out different strategies under TANF.

I. Key Questions

- Did either the education- or employment-focused approach consistently produce results across subgroups that represent different levels of disadvantage?

- How effective were both approaches in assisting recipients who had no high school diploma or GED certificate at program entry?
- Did either approach help recipients who were "most disadvantaged," that is, who faced multiple barriers to employment?
- How well did each approach succeed with recipients who had no recent work experience?
- How well did each approach succeed with recipients who had worked in the year prior to program enrollment?

II. Analysis Issues

This chapter evaluates impacts on key outcome measures for several important subgroups of the welfare population. These subgroups are not mutually exclusive; rather, they represent several ways that policymakers can classify recipients based on prior educational attainment, work experience, and welfare receipt.

All welfare-to-work programs aim to increase employment and earnings and reduce welfare receipt for recipients at all levels of employability. As stated, education-focused programs intend to build recipients' skills and credentials in the hope that they will find better employment than they would on their own. In contrast, employment-focused programs encourage recipients to enter the labor market quickly in the hope that they will work their way up to better jobs. Both strategies are expected to benefit recipients who have multiple barriers to work as well as those who face fewer obstacles and who are more likely to find work on their own.

Subgroups based on different preprogram education credentials are particularly important to study and offer further insight into which strategies are more effective for whom. Recipients in these subgroups are typically assigned to and receive different types of services. As discussed in Chapter 4, education-oriented programs generally produced large impacts on participation in basic education for recipients without a high school diploma or GED at program entry. These programs also increased participation in education and training for recipients who had a high school diploma or GED. In contrast, employment-focused programs increased participation in job search activities for sample members in both of these subgroups to a larger extent than education-focused programs.

The subgroups discussed in this chapter are identified using information collected *just before* the individual was randomly assigned. Because these groups are defined by pre-existing characteristics observed at study enrollment, and not by outcomes occurring during the follow-up period, impacts are unbiased, true experimental estimates.

The number of program and control group members in each subgroup is smaller than the number in the full sample, which makes the subgroup impact estimates less reliable and less likely to be statistically significant than those for the full sample. Additionally, because the survey sample is smaller than the sample for which administrative records data are available, survey results are less reliable than those based on administrative records data. For certain subgroups impacts based on survey data are not presented because the sample sizes are too small to provide reliable estimates.

The chapter focuses on several key outcome measures that take into account different time periods. "Ever Employed in Year 1 or 2" is the measure most representative of reductions in the total number of completely jobless and also may be closely associated with employment exits from welfare. "Number of Months on AFDC in Years 1 and 2" is the measure most representative of total time on AFDC. Earnings, AFDC payments, and other outcomes are measured in year 2 to be more representative of longer-term program impacts. Outcomes from the survey focus on the end of two years to provide a snapshot of recipients' status two years after random assignment. Additionally, unless otherwise stated, all impacts discussed in this chapter are statistically significant.

III. Framework

Table 11.1 presents the proportion of the research sample in each program that is represented by each subgroup. To simplify the discussion the subgroups are placed in three tiers that loosely correspond to increasing levels of employability: most disadvantaged, moderately disadvantaged, and less disadvantaged. Levels for control group members, which capture what happened in the absence of welfare-to-work programs for sample members with these specified characteristics, were used to categorize the subgroups. Table 11.2 presents the control group levels for several key outcome measures that were used to categorize the subgroups. The text box below lists the subgroups according to level of relative disadvantage, which, as shown, may be defined in different ways using different kinds of preprogram information about enrollees. Two tiers in the table therefore show several overlapping subgroups, illustrating alternatives available to program operators for defining those tiers. A brief description of the subgroups within each tier and their corresponding control group levels is provided in the following paragraphs.

Tier 1: Most Disadvantaged (one group)

- did not have a high school diploma or GED at random assignment, did not work in the year prior to random assignment, *and* had been on welfare for two years or more prior to random assignment

Tier 2: Moderately Disadvantaged (three overlapping groups)

- did not have a high school diploma or GED at random assignment
- did not work in the year prior to random assignment
- had been on welfare for two years or more prior to random assignment

Tier 3: Less Disadvantaged (four overlapping groups)

- had a high school diploma or GED at random assignment
- had been on welfare for less than two years prior to random assignment
- had worked in the year prior to random assignment
- had earned $3,000 or more in the year prior to random assignment (the very least disadvantaged)

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Table 11.1

Sample Sizes for the Most Disadvantaged, Moderately Disadvantaged, and Less Disadvantaged

		Most Disadvantaged	Moderately Disadvantaged			Less Disadvantaged			
Site and Program	Full Sample	Most Disadvantaged (%)	Not Employed in Year Prior to Random Assignment (%)	No High School Diploma or GED at Random Assignment (%)	Welfare for 2 Years or More Prior to Random Assignment (%)	High School Diploma or GED at Random Assignment (%)	Welfare for Less than 2 Years Prior to Random Assignment (%)	Employed in Year Prior to Random Assignment (%)	Earned $3,000 or More in Year Prior to Random Assigment (%)
Atlanta Labor Force Attachment	3833	22.1	61.4	39.0	65.1	61.0	33.6	38.6	14.5
Atlanta Human Capital Development	3881	22.5	61.8	39.1	65.5	60.8	32.9	38.2	14.1
Grand Rapids Labor Force Attachment	3012	15.2	50.7	41.5	59.5	58.4	40.5	49.3	17.2
Grand Rapids Human Capital Development	2997	15.1	49.7	40.3	59.2	59.6	40.5	50.3	17.6
Riverside Labor Force Attachment	6726	20.2	59.6	46.5	52.2	53.5	46.1	40.4	20.8
Riverside Human Capital Development	4938	27.6	41.8	63.5	37.3	n/a	25.1	21.7	9.8
Columbus Integrated	4672	19.5	45.9	42.5	72.6	56.9	17.3	54.1	27.0
Columbus Traditional	4729	19.1	45.7	42.3	72.2	57.2	16.8	54.3	27.5
Detroit	4459	25.1	66.8	43.5	74.3	56.5	22.8	33.2	9.5
Oklahoma City	8677	4.9	45.1	44.5	23.9	54.7	30.9	54.9	22.4
Portland	5547	16.2	57.9	33.7	61.7	65.3	36.0	42.1	16.8

SOURCES: MDRC calculations from information routinely collected by welfare staff and from unemployment insurance (UI) earnings and AFDC records.

NOTES: The "Most Disadvantaged" subgroup contains sample members who did not have a high school diploma or GED at random assignment, who did not work for pay in the year prior to random assignment, and who received AFDC for more than two years prior to random assignment.

N/a indicates not applicable.

Tier 1 includes one subgroup of individuals who have multiple barriers to work and who are considered the most disadvantaged. As shown in Table 11.1, between 5 percent (Oklahoma City) and 28 percent (Riverside HCD) of sample members in each program were most disadvantaged, with most sites ranging between 15 and 23 percent.

As shown in Table 11.2, control group members in this subgroup had lower employment rates and earnings than control group members in all other subgroups. Specifically, only about a quarter to almost a half were employed at some point during the follow-up period. Control group members in this subgroup, in all sites except Oklahoma, were also on welfare the longest and had the highest average AFDC payments. In most sites they spent between 18 and 21 months on welfare during the follow-up.

Tier 2 includes three overlapping subgroups, defined by the tier 1 components, who are considered moderately disadvantaged.[1] Sample members in two of these moderately disadvantaged subgroups constituted the largest portion of the sample. For example, in most sites between 45 and 62 percent of sample members were not employed in the year prior to random assignment.

As shown in Table 11.2, control group members in the moderately disadvantaged subgroups were generally better off than those in tier 1. In most sites between 47 and 67 percent of control group members were employed at some point during the follow-up. In general, control group members in these subgroups received welfare for between 16 and 19 months during the follow-up.

Tier 3 includes four subgroups of the more job-ready: those who had a high school diploma or GED, had been on welfare less than two years, and had worked in the year prior, as well as those who earned $3,000 or more in the year prior to random assignment. As shown in Table 11.1, these subgroups represented different proportions of the research samples. For example, in most sites between 38 and 55 percent had worked in the year prior to random assignment. At the same time, in all sites more sample members had a high school diploma or GED at random assignment than did not have these credentials. The only exception was the Riverside HCD program in which all sample members were nongraduates. Further, between 10 percent and 28 percent of sample members across all sites earned $3,000 or more in the year prior to random assignment.

As shown in Table 11.2, levels of employment and earnings for control group members in these subgroups indicate that these sample members were less disadvantaged than those in the other two tiers. To some degree the subgroups within this tier also represent different levels of employability. For example, employment rates for control group members who had a high school diploma or GED and for those who were on welfare for less than two years ranged from 65 to 77 percent in most sites. Control group members in both of these subgroups typically depended on welfare for 14 to 17 months in most sites.

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[1] It is important to note that the subgroups considered moderately disadvantaged do not exclude individuals who face multiple barriers who are categorized as most disadvantaged. Each of the moderately disadvantaged subgroups includes individuals who are the most disadvantaged, as well as sample members who face a specific barrier to employment. Therefore, overall, recipients in each of the moderately disadvantaged subgroups are somewhat less disadvantaged than those in tier 1.

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Table 11.2

Average Employment, Earnings, AFDC, and Income of Control Group Members for Years 1 and 2

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Average Total Earnings in Year 2 ($)	Number of Months on AFDC in Years 1 and 2
		Most Disadvantaged		
Atlanta Labor Force Attachment	432	39.6	1159	20.8
Atlanta Human Capital Development	432	39.6	1159	20.8
Grand Rapids Labor Force Attachment	223	43.7	751	20.4
Grand Rapids Human Capital Development	223	43.7	751	20.4
Riverside Labor Force Attachment	669	23.9	670	18.7
Riverside Human Capital Development	669	23.9	670	18.7
Columbus Integrated	433	47.4	1309	18.8
Columbus Traditional	433	47.4	1309	18.8
Detroit	561	42.3	1253	21.3
Oklahoma City	236	40.8	742	13.1
Portland	351	38.6	1169	18.5
		Moderately Disadvantaged		
Did not work in year prior to random assignment				
Atlanta Labor Force Attachment	1203	48.2	1838	19.7
Atlanta Human Capital Development	1203	48.2	1838	19.7
Grand Rapids Labor Force Attachment	732	55.5	1910	18.4
Grand Rapids Human Capital Development	732	55.5	1910	18.4
Riverside Labor Force Attachment	2002	31.3	1366	17.0
Lacked high school diploma or basic skills	1031	26.5	1020	17.5
Riveside Human Capital Development	1031	26.5	1020	17.5
Columbus Integrated	1004	52.7	2101	17.4
Columbus Traditional	1004	52.7	2101	17.4
Detroit	1499	47.3	1881	20.4
Oklahoma City	1984	48.3	1313	11.1
Portland	1188	46.0	2015	16.9

(continued)

Table 11.2 (continued)

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Average Total Earnings in Year 2 ($)	Number of Months on AFDC in Years 1 and 2
Without a high school diploma or GED at random assignment				
Atlanta Labor Force Attachment	759	52.6	1836	19.7
Atlanta Human Capital Development	759	52.6	1836	19.7
Grand Rapids Labor Force Attachment	596	63.5	1732	18.7
Grand Rapids Human Capital Development	596	63.5	1732	18.7
Riverside Labor Force Attachment	1539	38.9	1883	16.7
Riverside Human Capital Development	1539	38.9	1883	16.7
Columbus Integrated	915	66.5	2629	17.6
Columbus Traditional	915	66.5	2629	17.6
Detroit	972	52.2	1805	20.5
Oklahoma City	1945	61.1	1478	12.6
Portland	718	52.2	2021	16.6
On welfare 2 years or more prior to random assignment				
Atlanta Labor Force Attachment	1281	54.7	2109	19.9
Atlanta Human Capital Development	1281	54.7	2109	19.9
Grand Rapids Labor Force Attachment	874	66.8	2496	18.6
Grand Rapids Human Capital Development	874	66.8	2496	18.6
Riverside Labor Force Attachment	1734	38.9	1666	17.7
Lacked high school diploma or basic skills	905	33.2	1186	18.1
Riverside Human Capital Development	905	33.2	1186	18.1
Columbus Integrated	1571	70.0	3487	17.5
Columbus Traditional	1571	70.0	3487	17.5
Detroit	1688	56.6	2400	20.2
Oklahoma City	1052	66.0	1965	13.6
Portland	1274	56.9	2484	17.0

(continued)

Table 11.2 (continued)

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Average Total Earnings in Year 2 ($)	Number of Months on AFDC in Years 1 and 2
		Less Disadvantaged		
With a high school diploma or GED at random assignment				
Atlanta Labor Force Attachment	1187	67.3	3800	17.5
Atlanta Human Capital Development	1187	67.3	3800	17.5
Grand Rapids Labor Force Attachment	859	74.8	3676	16.5
Grand Rapids Human Capital Development	859	74.8	3676	16.5
Riverside Labor Force Attachment	1803	53.1	3245	15.1
Columbus Integrated	1230	76.7	5009	15.5
Columbus Traditional	1230	76.7	5009	15.5
Detroit	1260	63.0	3332	19.1
Oklahoma City	2381	68.1	2664	11.0
Portland	1278	65.4	3741	15.0
On welfare less than 2 years prior to random assignment				
Atlanta Labor Force Attachment	643	74.4	4809	15.3
Atlanta Human Capital Development	643	74.4	4809	15.3
Grand Rapids Labor Force Attachment	579	74.5	3416	15.7
Grand Rapids Human Capital Development	579	74.5	3416	15.7
Riverside Labor Force Attachment	1541	51.4	3356	14.2
Lacked high school diploma or basic skills	609	45.8	2840	14.9
Riveside Human Capital Development	609	45.8	2840	14.9
Columbus Integrated	351	79.5	5481	13.9
Columbus Traditional	351	79.5	5481	13.9
Detroit	478	63.0	3494	18.3
Oklahoma City	1332	67.4	2269	12.0
Portland	689	67.0	4231	13.3

(continued)

Table 11.2 (continued)

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Average Total Earnings in Year 2 ($)	Number of Months on AFDC in Years 1 and 2
Worked in year prior to random assignment				
Atlanta Labor Force Attachment	743	82.8	4919	16.1
Atlanta Human Capital Development	743	82.8	4919	16.1
Grand Rapids Labor Force Attachment	723	84.4	3854	16.5
Grand Rapids Human Capital Development	723	84.4	3854	16.5
Riverside Labor Force Attachment	1340	66.2	4186	14.6
Lacked high school diploma or basic skills	508	62.7	3552	15.2
Riverside Human Capital Development	508	62.7	3552	15.2
Columbus Integrated	1155	88.7	5535	15.6
Columbus Traditional	1155	88.7	5535	15.6
Detroit	734	80.4	4229	18.4
Oklahoma City	2384	78.7	2793	12.2
Portland	830	81.4	4774	13.6
Earned $3,000 or more in year prior to random assignment				
Atlanta Labor Force Attachment	281	89.1	6712	14.2
Atlanta Human Capital Development	281	89.1	6712	14.2
Grand Rapids Labor Force Attachment	258	87.8	5460	14.3
Grand Rapids Human Capital Development	258	87.8	5460	14.3
Riverside Labor Force Attachment	701	72.7	5625	13.4
Lacked high school diploma or basic skills	224	70.2	5206	13.7
Riverside Human Capital Development	224	70.2	5206	13.7
Columbus Integrated	579	92.2	7355	14.1
Columbus Traditional	579	92.2	7355	14.1
Detroit	191	82.7	5944	17.2
Oklahoma City	944	84.5	3594	11.6
Portland	335	85.8	6622	12.2

SOURCES: MDRC calculations from unemployment insurance (UI) earnings records and AFDC records.

NOTES: The "Most Disadvantaged" subgroup consists of sample members who did not have a high school diploma or GED at random assignment, did not work for pay in the year prior to random assignment, and had received AFDC for two years or more (cumulatively) prior to random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Control group members who had worked in the year prior to study entry and those who had earned $3,000 or more had even higher rates of employment and earnings than those in the first two subgroups in this tier. In most sites more than 80 percent of control group members in these two subgroups worked for pay during the follow-up period. Generally, they also spent less time on welfare, about 13 to 16 months in most sites, than those in the first two subgroups in this tier. These two subgroups are considered to be the least disadvantaged.

IV. Key Findings

- Most employment- and education-focused programs produced welfare savings for a wide variety of subgroups, representing different levels of employability.
- Several programs achieved at least moderate gains in employment and/or earnings for nearly all subgroups studied; for these programs impacts were not concentrated in one segment of the research samples.
- Portland's employment-focused, varied first activity approach achieved large impacts on employment and earnings for nearly all subgroups. At the other extreme, Oklahoma City's low enforcement education-focused approach did not produce any positive impacts on employment or earnings for any subgroup.
- Interestingly, employment-focused programs were more likely than education-focused programs to achieve employment and earnings gains within the two-year follow-up for sample members who did not have a high school diploma or GED at study entry. The difference in impacts, however, narrowed by the end of the second year.
- Several employment- and education-focused programs produced moderate to large gains in employment and earnings for individuals facing multiple barriers to work. Employment-focused programs may have produced somewhat larger labor market effects within the two-year follow-up, but the evidence is not strong or definitive.
- Both approaches were successful for sample members who did not have any recent work experience and were considered moderately disadvantaged. A greater number of programs produced impacts on employment and earnings for these recipients than for those who were the most disadvantaged or the least disadvantaged.
- Both approaches were less successful in helping sample members who had been employed in the year prior to random assignment and thus considered less disadvantaged. Only two employment-focused programs and one education-focused program produced gains in both employment and earnings for these sample members.

V. Program Impacts Across Subgroups

This section looks at program impacts for key outcome measures across the complete set of subgroups spanning all levels of disadvantage. Of primary interest is the consistency with which different program approaches did or did not produce impacts for all the subgroups they served. The ability to produce impacts on all or almost all large subgroups under a program purview may be an important prerequisite for producing sizable impacts on the full program-eligible population. Impacts on particular subgroups of policy interest, as described in the text box earlier in the chapter, are discussed in the succeeding section. Tables 11.3-11.7 and Appendix Tables D.1-D.3 present program impacts on key outcome measures for each of these subgroups.

Did both employment- and education-focused approaches consistently produce results across subgroups who represent different levels of disadvantage?

Several employment- and education-focused programs achieved at least moderate gains in employment and/or earnings for all or nearly all subgroups who were studied. Decreases in time spent on welfare and in AFDC payments were more prevalent than employment and earnings increases across all subgroups in most programs.

Employment and earnings. Five programs (Grand Rapids LFA and HCD, Riverside LFA and HCD, and Portland) achieved at least moderate employment impacts for subgroups, representing different levels of disadvantage. Other programs achieved fewer subgroup impacts on employment, and they were generally concentrated among individuals in moderately disadvantaged subgroups. In fact, in most programs the magnitude of employment impacts was larger for the moderately and most disadvantaged subgroups than for the less disadvantaged subgroups. Only Oklahoma City did not produce any positive impacts on employment or earnings for any subgroup.

Impacts on earnings followed a similar subgroup pattern that was generally not associated with the type of approach. Several programs successfully increased earnings in the second year for most subgroups. Portland achieved moderate to large impacts for all subgroups except for those who earned $3,000 or more in the year prior to random assignment. Grand Rapids LFA and HCD and Columbus Integrated achieved at least moderate earnings impacts for nearly all subgroups. Widespread impacts on year 2 earnings were also evident in the Columbus Traditional and Riverside LFA programs, although gains were not always statistically significant. In contrast, Detroit had the largest impacts on earnings in the second year for the two least disadvantaged subgroups, that is, those who worked at all in the year prior to study entry and those who earned $3,000 or more during that period. Both programs in Atlanta achieved gains primarily for moderately disadvantaged subgroups.

Few programs produced impacts across all subgroups on employment stability, defined as the proportion of sample members employed in all four quarters in year 2. Only two employment-focused programs were relatively successful: Portland and Riverside LFA achieved impacts for nearly all subgroups. Other programs (Atlanta LFA and HCD, and both Columbus Integrated and Traditional, Detroit, and Grand Rapids LFA) produced impacts for fewer subgroups, mainly those in the moderately disadvantaged tier. Interestingly, achieving impacts on employment stability for the least disadvantaged appeared problematic. Several programs achieved effects for the large subgroup "Employed in Year Prior to Random Assignment," but when the category was

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Table 11.3

Program Impacts on Selected Measures for Sample Members Who Were Most Disadvantaged Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	849	4.6	4.2 *	380 *
Atlanta Human Capital Development	872	1.8	2.4	12
Grand Rapids Labor Force Attachment	458	11.3 **	5.8 **	800 ***
Grand Rapids Human Capital Development	453	10.4 **	4.0	667 ***
Riverside Labor Force Attachment	1362	21.7 ***	5.5 ***	613 ***
Riverside Human Capital Development	1362	13.5 ***	4.2 ***	605 ***
Columbus Integrated	911	0.9	2.5	448 **
Columbus Traditional	901	3.8	3.2	279
Detroit	1119	6.0 **	0.0	191
Oklahoma City	429	-2.7	-0.4	-90
Portland	897	14.3 ***	8.5 ***	838 ***

Site and Program	Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[a]
Atlanta Labor Force Attachment	-0.4	-162 **	205
Atlanta Human Capital Development	0.0	-54	0
Grand Rapids Labor Force Attachment	-2.3 ***	-868 ***	-300
Grand Rapids Human Capital Development	-2.1 ***	-820 ***	-418
Riverside Labor Force Attachment	-2.0 ***	-1049 ***	-721 ***
Riverside Human Capital Development	-0.8 *	-635 ***	-234
Columbus Integrated	-1.2 **	-385 ***	-233
Columbus Traditional	-0.4	-194 *	-28
Detroit	-0.9 ***	-256 **	-224
Oklahoma City	-0.9	-227	-469
Portland	-1.5 ***	-615 ***	83

(continued)

Table 11.3 (continued)

SOURCES: MDRC calculations from unemployment insurance (UI) earnings and AFDC records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

The "Most Disadvantaged" subgroup consists of sample members who did not have a high school diploma or GED at random assignment, did not work for pay in the year prior to random assignment, and had received AFDC for two years or more (cumulatively) prior to random assignment.

[a]"Combined income" is income from earnings, AFDC, and Food Stamps.

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Table 11.4

Program Impacts on Selected Measures for Sample Members Not Employed in the Year Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	2353	6.1 ***	4.7 ***	633 ***
Atlanta Human Capital Development	2398	4.3 **	4.8 ***	635 ***
Grand Rapids Labor Force Attachment	1527	10.2 ***	1.8	340 *
Grand Rapids Human Capital Development	1489	7.0 ***	3.0 *	362 *
Riverside Labor Force Attachment	4010	18.3 ***	4.3 ***	659 ***
Lacked high school diploma or basic skills	2074	18.7 ***	3.2 **	373 **
Riverside Human Capital Development	2065	10.9 ***	1.1	238
Columbus Integrated	2143	4.0 *	4.9 ***	597 ***
Columbus Traditional	2160	4.3 **	5.6 ***	695 ***
Detroit	2978	4.5 **	0.4	169
Oklahoma City	3912	-0.4	-0.8	-27
Portland	3214	17.3 ***	10.9 ***	1627 ***

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	1187	*0.36*	0.4	15
Atlanta Human Capital Development	1376	*0.35*	0.6	16
Grand Rapids Labor Force Attachment	534	*-0.55*	2.8	9
Grand Rapids Human Capital Development	506	*-0.27*	3.3	18
Riverside Labor Force Attachment	1047	*0.38*	4.6 ***	27
Lacked high school diploma or basic skills	680	*0.03*	3.9 **	30
Riverside Human Capital Development	890	*-0.36*	0.7	28
Columbus Integrated	352	*-0.14*	3.1	-10
Columbus Traditional	354	*0.30*	6.7 *	26
Detroit	297	*-0.37*	2.3	17
Oklahoma City	235	*-0.41*	-3.8	-182 **
Portland	361	*0.31*	7.9 *	1

(continued)

Table 11.4 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Combined Income in Year 2 ($)[c]	Site and Program
-1.1 ***	-228 ***	323 *	Atlanta Labor Force Attachment
-0.8 ***	-176 ***	414 **	Atlanta Human Capital Development
-2.2 ***	-683 ***	-513 ***	Grand Rapids Labor Force Attachment
-1.3 ***	-526 ***	-266	Grand Rapids Human Capital Development
-1.5 ***	-773 ***	-326 **	Riverside Labor Force Attachment
-1.6 ***	-846 ***	-701 ***	Lacked high school diploma or basic skills
-0.8 **	-539 ***	-472 **	Riverside Human Capital Development
-1.1 ***	-328 ***	28	Columbus Integrated
-0.9 ***	-298 ***	220	Columbus Traditional
-0.4	-114	-9	Detroit
-0.6 **	-45	-60	Oklahoma City
-2.7 ***	-894 ***	451 **	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket Child Care at Interview (%)	Site and Program
-4.5 **	-3.8 **	1.3	Atlanta Labor Force Attachment
-1.5	-1.3	1.9	Atlanta Human Capital Development
-2.0	1.6	2.8	Grand Rapids Labor Force Attachment
-3.8	1.2	-0.3	Grand Rapids Human Capital Development
-2.8	2.4	6.3 ***	Riverside Labor Force Attachment
-0.4	-1.0	5.3 **	Lacked high school diploma or basic skills
-1.6	-0.1	4.6 **	Riverside Human Capital Development
0.7	-8.8 *	0.7	Columbus Integrated
7.1 *	-2.5	-0.1	Columbus Traditional
1.6	4.1	4.8	Detroit
-8.5	0.0	2.7	Oklahoma City
-6.1	-5.8	6.0	Portland

(continued)

Table 11.4 (continued)

SOURCES: MDRC calculations from unemployment insurance (UI) earnings and AFDC records (upper panel), and Two-Year Client Survey (lower panel.)

NOTES: Survey measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] Differences between program group members and control group members (shown in italics) for "Average Hourly Pay" are not true experimental comparisons; statistical tests were not performed.

[b] The survey asked about income in the month before interview from regular or odd jobs; Food Stamps; AFDC; child support; alimony; Women, Infant, and Children Nutrition Program (WIC); Supplemental Security Income; Social Security; unemployment insurance; Worker's Compensation; General Assistance; Refugee Assistance; foster child payments; any money from family or friends outside the household to help pay living expenses; and other sources of income. This measure does not include average EITC receipts.

[c] "Combined income" is income from earnings, AFDC, and Food Stamps.

[d] This measure represents at least three academic, behavior, and/or health-related problems reported for any child in a family.

narrowed to "Earned $3,000 or More in Year Prior to Random Assignment," only Detroit and Grand Rapids LFA achieved success in increasing employment stability.

Additionally, few programs increased job quality for any subgroup. Only Portland and Riverside LFA produced impacts for several subgroups. Both programs raised the proportion of program group members who had full-time jobs that provided health insurance at the end of two years for both moderately disadvantaged and less disadvantaged subgroups.[2]

Welfare receipt. Riverside and Grand Rapids LFA and HCD, Columbus Integrated and Traditional, and Portland decreased time on welfare *and* AFDC payments for all or most subgroups. Four programs (Portland, Riverside LFA, and Grand Rapids LFA and HCD) decreased both of these welfare outcomes by a similar magnitude across all subgroups. Columbus Integrated and Traditional, Atlanta LFA, Riverside HCD, and, to some extent, Detroit achieved somewhat larger reductions in both measures for less disadvantaged subgroups than for other subgroups. (Impacts in Detroit were largest for those who earned $3,000 or more in the year prior to random assignment.) The Atlanta HCD program lowered AFDC payments for more subgroups than it decreased time on welfare.

Gains in earnings were offset by decreases in benefits in most programs for most subgroups. Decreases in combined income from earnings, AFDC, and Food Stamps in the second year were relatively common for subgroups in several programs, although they were not always statistically significant. Specifically, Riverside LFA and HCD, Grand Rapids LFA, and Oklahoma City *reduced* combined income for all or nearly all subgroups. Only Portland and both Atlanta programs *increased* combined income for some subgroups, mainly for moderately disadvantaged subgroups, although not always by statistically significant amounts. Detroit achieved the largest gains for sample members who earned $3,000 or more in the year prior to random assignment, although this estimate was not statistically significant.

Other outcomes. The subgroup pattern of impacts on other outcome measures did not appear to be associated with the type of program approach. Several programs decreased health care coverage for different subgroups. In Columbus Integrated, Oklahoma City, and Riverside LFA losses in coverage occurred among those who were less disadvantaged, particularly those who had recent work experience. In contrast, in Atlanta LFA, Portland, and, to some extent, Columbus Integrated decreases were concentrated among moderately disadvantaged program group members, particularly those who had been on welfare for at least two years prior to random assignment.

Several programs also affected the incidence of paying for child care for different subgroups. Notably, both Riverside programs increased the proportion of moderately disadvantaged program group members who incurred child care costs. Detroit and Columbus Integrated had similar negative effects for moderately and less disadvantaged subgroups. Only Grand Rapids HCD produced positive results for some moderately and less disadvantaged subgroups.

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[2] These measures are based on survey data. Because the sample sizes are too small to provide reliable estimates for the most and least disadvantaged subgroups, they are excluded from the analysis of these and other survey measures.

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Table 11.5

Program Impacts on Selected Measures for Sample Members Without a High School Diploma or GED at Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	1495	4.2 *	4.5 **	427 **
Atlanta Human Capital Development	1519	2.0	2.2	276
Grand Rapids Labor Force Attachment	1251	8.9 ***	3.5 *	728 ***
Grand Rapids Human Capital Development	1209	5.4 **	-0.2	312
Riverside Labor Force Attachment	3125	16.6 ***	3.2 ***	375 **
Riverside Human Capital Development	3135	9.3 ***	1.5	121
Columbus Integrated	1987	0.2	4.7 ***	779 ***
Columbus Traditional	2001	1.0	4.6 ***	412 **
Detroit	1940	5.8 ***	0.9	279
Oklahoma City	3864	0.6	-1.2	-25
Portland	1872	13.1 ***	7.4 ***	881 ***

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	895	*0.48*	1.1	-2
Atlanta Human Capital Development	1092	*0.23*	3.1 **	12
Grand Rapids Labor Force Attachment	453	*0.38*	5.2	16
Grand Rapids Human Capital Development	481	*0.17*	4.2	25
Riverside Labor Force Attachment	1012	*-0.21*	5.1 ***	4
Riverside Human Capital Development	1350	*-0.53*	1.8	-5
Columbus Integrated	301	*0.40*	2.6	-58
Columbus Traditional	292	*0.92*	1.3	-59
Detroit	188	*1.22*	0.8	16
Oklahoma City	234	*-0.19*	5.3	35
Portland	189	*0.57*	5.3	75

(continued)

Table 11.5 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[c]	Site and Program
-0.9 **	-181 ***	260	Atlanta Labor Force Attachment
-0.4	-142 **	179	Atlanta Human Capital Development
-2.5 ***	-764 ***	-200	Grand Rapids Labor Force Attachment
-1.4 ***	-572 ***	-424 **	Grand Rapids Human Capital Development
-1.4 ***	-757 ***	-594 ***	Riverside Labor Force Attachment
-1.0 ***	-578 ***	-619 ***	Riverside Human Capital Development
-1.9 ***	-480 ***	-48	Columbus Integrated
-0.9 ***	-269 ***	-60	Columbus Traditional
-0.5	-114	69	Detroit
-0.3	-25	-1	Oklahoma City
-1.7 ***	-616 ***	155	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket for Child Care at Interview (%)	Site and Program
0.3	-1.0	-1.5	Atlanta Labor Force Attachment
1.1	-0.1	1.1	Atlanta Human Capital Development
-2.1	-3.9	2.9	Grand Rapids Labor Force Attachment
2.5	-1.2	-2.2	Grand Rapids Human Capital Development
-3.6 *	-1.4	2.1	Riverside Labor Force Attachment
-2.1	-1.3	4.7 **	Riverside Human Capital Development
-2.8	-6.1	7.4 **	Columbus Integrated
4.7	1.6	1.3	Columbus Traditional
-2.6	1.8	8.5 *	Detroit
-8.8	-4.8	6.6	Oklahoma City
-5.4	-10.5 *	4.5	Portland

SOURCES and NOTES: See Table 11.4.

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Table 11.6

Program Impacts on Selected Measures for Sample Members With a High School Diploma or GED at Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	2338	4.8 ***	3.1 *	483 **
Atlanta Human Capital Development	2358	3.5 **	3.6 **	439 *
Grand Rapids Labor Force Attachment	1760	6.3 ***	2.9	352
Grand Rapids Human Capital Development	1785	5.2 ***	4.2 **	574 **
Riverside Labor Force Attachment	3601	13.1 ***	4.4 ***	795 ***
Columbus Integrated	2658	2.5 *	3.7 **	383
Columbus Traditional	2707	1.1	3.4 *	513 **
Detroit	2518	2.4	2.9 *	311
Oklahoma City	4742	-2.0	-1.7 *	1
Portland	3622	10.1 ***	8.3 ***	1371 ***

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	995	*0.27*	-2.0	41
Atlanta Human Capital Development	1107	*0.19*	-1.5	43
Grand Rapids Labor Force Attachment	705	*-0.32*	-2.2	-74 *
Grand Rapids Human Capital Development	677	*-0.28*	-1.9	-72 *
Riverside Labor Force Attachment	666	*0.52*	4.9 *	39
Columbus Integrated	425	*0.11*	2.7	11
Columbus Traditional	430	*-0.05*	1.8	58
Detroit	238	*-1.45*	8.2 *	18
Oklahoma City	267	*-0.17*	-4.3	-114
Portland	415	*0.88*	11.5 ***	44

(continued)

Table 11.6 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[c]	Site and Program
-1.3 ***	-250 ***	141	Atlanta Labor Force Attachment
-0.7 **	-166 ***	271	Atlanta Human Capital Development
-2.0 ***	-615 ***	-383 *	Grand Rapids Labor Force Attachment
-1.2 ***	-438 ***	118	Grand Rapids Human Capital Development
-1.6 ***	-647 ***	-50	Riverside Labor Force Attachment
-1.4 ***	-304 ***	-121	Columbus Integrated
-1.1 ***	-286 ***	59	Columbus Traditional
-0.5 *	-149 *	116	Detroit
-1.2 ***	-161 ***	-258 **	Oklahoma City
-2.8 ***	-791 ***	283	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket for Child Care at Interview (%)	Site and Program
-1.4	-4.3 **	0.2	Atlanta Labor Force Attachment
-2.0	-2.3	2.7	Atlanta Human Capital Development
-3.7	7.9 **	3.7	Grand Rapids Labor Force Attachment
-3.6	5.5 *	-5.2	Grand Rapids Human Capital Development
-4.3	6.7 **	2.6	Riverside Labor Force Attachment
-9.3 **	-7.1 *	0.7	Columbus Integrated
-1.8	-1.8	0.2	Columbus Traditional
-1.0	5.9	9.5 *	Detroit
-11.4 *	1.9	-1.1	Oklahoma City
-5.0	-0.4	6.4	Portland

(continued)

SOURCES and NOTES: See Table 11.4.

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Table 11.7

Program Impacts on Selected Measures for Sample Members Employed in the Year Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1 or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	1480	2.1	2.3	191
Atlanta Human Capital Development	1483	1.0	0.7	23
Grand Rapids Labor Force Attachment	1485	5.2 ***	4.3 *	682 **
Grand Rapids Human Capital Development	1508	4.0 **	1.5	575 **
Riverside Labor Force Attachment	2716	10.2 ***	2.9 *	387
Lacked high school diploma or basic skills	1051	12.9 ***	3.5	389
Riverside Human Capital Development	1070	6.0 **	2.2	-122
Columbus Integrated	2529	-0.5	4.0 **	613 **
Columbus Traditional	2569	-1.5	2.7	340
Detroit	1481	2.8	5.2 **	586 *
Oklahoma City	4765	-1.3	-2.0 *	8
Portland	2333	2.9 *	3.9 *	631 **

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	703	*0.37*	-2.9	38
Atlanta Human Capital Development	823	*0.01*	-0.2	44
Grand Rapids Labor Force Attachment	624	*0.16*	-1.1	-83 **
Grand Rapids Human Capital Development	652	*0.00*	-1.9	-67
Riverside Labor Force Attachment	631	*0.02*	5.4 **	10
Lacked high school diploma or basic skills	332	*-0.43*	7.3 **	-39
Riverside Human Capital Development	460	*-0.83*	3.5	-64
Columbus Integrated	376	*0.37*	2.9	-4
Columbus Traditional	369	*0.35*	-3.2	-2
Detroit	129 [c]	*-1.71* [c]	9.6 [c]	-37 [c]
Oklahoma City	276	*0.19*	3.9	94 *
Portland	249	*1.56*	12.1 **	179 **

(continued)

Table 11.7 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[c]	Site and Program
-1.2 ***	-208 ***	-26	Atlanta Labor Force Attachment
-0.3	-151 **	-39	Atlanta Human Capital Development
-2.2 ***	-672 ***	-93	Grand Rapids Labor Force Attachment
-1.2 ***	-464 ***	69	Grand Rapids Human Capital Development
-1.4 ***	-607 ***	-410 *	Riverside Labor Force Attachment
-0.8 *	-574 ***	-351	Lacked high school diploma or basic skills
-1.2 **	-598 ***	-848 **	Riverside Human Capital Development
-2.0 ***	-416 ***	-77	Columbus Integrated
-1.2 ***	-262 ***	-110	Columbus Traditional
-0.6 *	-189 *	312	Detroit
-0.9 ***	-141 ***	-198 *	Oklahoma City
-2.1 ***	-480 ***	-11	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket for Child Care at Interview (%)	Site and Program
3.8	-1.8	-3.8	Atlanta Labor Force Attachment
-0.7	-1.1	2.5	Atlanta Human Capital Development
-4.3	5.5 *	3.5	Grand Rapids Labor Force Attachment
0.9	5.3 *	-7.1 **	Grand Rapids Human Capital Development
-5.7 *	1.7	-4.0	Riverside Labor Force Attachment
-10.6 **	-1.8	-5.3	Lacked high school diploma or basic skills
-3.5	-3.5	4.1	Riverside Human Capital Development
-15.3 ***	-3.9	7.8 **	Columbus Integrated
-4.7	1.2	2.6	Columbus Traditional
-6.3 u	2.4 u	15.6 u	Detroit
-14.4 **	-2.5	1.6	Oklahoma City
-5.8	-1.2	5.5	Portland

SOURCES: See Table 11.4.

NOTES: See Table 11.4.

The symbol "u" indicates that, because of very small sample sizes, the impact estimate shown is unreliable.

Finally, few programs affected the incidence of problems among children in a uniform fashion across subgroups.[3] For less disadvantaged subgroups both programs in Grand Rapids *increased* the proportion of program group members who reported that their children had several problems. In contrast, Atlanta LFA and Columbus Integrated *decreased* the incidence of recipients with children who had several problems for moderately and less disadvantaged subgroups.

VI. Program Impacts for Selected Subgroups

This section provides a more detailed discussion of program impacts for specific policy-relevant subgroups defined by recipients' preprogram educational attainment and past work history. It explores program effects on key outcome measures for individuals who did and did not have a high school diploma or GED certificate at study entry, for individuals with multiple barriers to employment, and for individuals who did and did not work in the year prior to random assignment.

How effective were both approaches in assisting recipients who had no high school diploma or GED certificate at program entry?

Interestingly, employment-focused programs were more likely than education-focused programs to produce impacts on employment and earnings within the two-year follow-up for sample members who did not have a high school diploma or GED at study entry. (See Table 11.5.) In contrast, education-focused programs, which were specifically designed to meet the needs of enrollees without education credentials and did increase participation in basic education activities, produced fewer impacts on employment and earnings, perhaps because two years was not long enough for these programs to achieve results from lengthy participation in education. Nevertheless, all programs except Detroit and Oklahoma City successfully decreased welfare payments for individuals in the nongraduate subgroup.

Employment and earnings. All employment-focused programs (the three LFA programs and Portland) produced statistically significant gains in employment, earnings, and stable employment for sample members who did not have a high school diploma or GED. In most cases effects were moderate for sample members in this subgroup. (See Table 11.5.) Riverside LFA and Portland, however, achieved the largest employment gains: 16.6 and 13.1 percentage points, respectively. Portland also attained the most dramatic impacts on employment stability and on earnings for nongraduates, raising the proportion of this subgroup who were employed in all four quarters in year 2 by 7.4 percentage points and increasing average earnings by $881.

Employment and earnings effects were less in evidence among the education-focused programs. Both Columbus Integrated and Traditional increased stable employment and average earnings by statistically significant amounts in year 2, but did not raise the proportion who were ever employed. Grand Rapids HCD, Riverside HCD, and Detroit were successful only in boosting employment levels.

At the end of the follow-up, however, one education-focused program (Columbus Integrated) was achieving the largest earnings gains of any program for nongraduates. Two other education-focused programs (Grand Rapids HCD and Columbus Traditional) attained larger earnings and/or employment impacts than two of the employment-focused programs (Atlanta and Riverside LFA). These results suggest that additional follow-up is necessary to determine which approach is more effective for nongraduates in the long run.

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[3] This measure includes the percentage of respondents who reported at least three school, behavioral, and/or health problems for any children in their household.

The results were not entirely clear about which approach increased job quality. As shown in Table 11.5, one employment-focused program (Riverside LFA) and one education-focused program (Atlanta HCD) increased by a statistically significant amount the proportion of nongraduates who had a "good" job, that is, a full-time job that provided health benefits. Nevertheless, three of the four employment-focused programs produced the largest effects (greater than 5 percentage points) on this measure, whereas only one education-focused program achieved a similar impact. Impacts on average hourly pay among those employed were not associated with either approach.

Welfare receipt. Regardless of approach most programs decreased welfare receipt for sample members without education credentials at study entry. Eight programs decreased the average amount of time that recipients spent on welfare during the two-year follow-up period from just under one month (Columbus Traditional and Atlanta LFA) to more than two and a half months (Grand Rapids LFA). Nine programs reduced average AFDC expenditures in year 2 by amounts ranging from 5.7 percent (Atlanta HCD) to 21.0 percent (Grand Rapids LFA). Five programs generated an average savings of more than 15 percent, an amount historically considered quite large for a welfare-to-work program.

These reductions in welfare payments largely offset earnings gains for nongraduates. In fact, the only statistically significant effects on the combined AFDC, earnings, and Food Stamps income of nongraduates were negative: three programs (Riverside LFA and HCD and Grand Rapids HCD) lowered combined income by $424 to $619 in year 2. Atlanta LFA and HCD and Portland did increase combined income by more than $150, but these estimates were not statistically significant. According to survey data, most programs did not affect respondents' *total* income in this subgroup in the last month of the follow-up period. Portland increased total respondent income by $75, but this estimate was not statistically significant.

Other outcomes. A few negative effects on other outcomes were found for sample members without education credentials. Riverside LFA decreased health care coverage for respondents in this subgroup and their children by 3.6 percentage points. In addition, three education-focused programs increased the proportion of respondents who paid for child care out-of-pocket by 4.7 percentage points (Riverside HCD) to 8.5 percentage points (Detroit). Portland achieved one positive result for these sample members: it *decreased* the proportion of respondents in this subgroup who reported that their children had several problems by 10.5 percentage points.

Did either approach achieve employment and earnings gains for high school graduates and GED certificate holders?

Several programs that represented both employment- and education-focused approaches produced employment and earnings impacts for high school graduates and GED certificate holders.[4] (See Table 11.6.) Programs that were employment-focused may have achieved slightly better results for this subgroup, but the evidence on this point is neither consistent nor strong. All programs, regardless of approach, decreased welfare receipt for these sample members.

Employment and earnings. As shown in Table 11.6, three employment-focused programs and two education-focused programs produced statistically significant impacts on both employment and earnings for sample members who had a high school diploma or GED at study entry. Three of these programs (Atlanta LFA and HCD and Grand Rapids HCD) achieved modest gains in employment and earnings. Two of the employment-focused programs achieved the largest gains: Riverside LFA and Portland increased employment during the follow-up by more than 10 percentage points and increased earnings in the second year by $795 and $1,371, respectively, for graduates and GED holders.

These two programs also increased job quality for sample members who had a high school diploma or GED at study entry. Specifically, they increased the proportion of program group members who had a full-time job that provided health insurance two years after study entry by 4.9 percentage points and 11.5 percentage points, respectively. Detroit also achieved an 8.2 percentage point gain. Unlike Detroit, however, Portland and Riverside LFA also raised the hourly wage among those employed by $0.52 (Riverside LFA) and $0.88 (Portland) two years after study entry. On the other hand, nearly all programs (except one employment-focused program and one education-focused program) achieved statistically significant increases in the percentage of sample members employed during all four quarters of year 2.

Welfare receipt. All programs successfully decreased welfare receipt during the follow-up period for recipients who had a high school diploma or GED at random assignment. Most programs reduced the average amount spent on the rolls by about one month to nearly three months. All programs also lowered average AFDC expenditures, with five programs achieving at least a 15 percent reduction. Only two programs produced less than a 10 percent reduction. The three largest percentage reductions were achieved by employment-focused programs, but large reductions were also achieved by education-focused programs.

Impacts on combined earnings, AFDC, and Food Stamp income were small and were not linked to program approach for sample members who had a high school diploma or GED at study entry. Six programs increased combined income in the second year of follow-up, although none of these estimates was statistically significant. The remaining four decreased combined income. Two of these reductions were statistically significant: a $383 reduction in combined income in Grand Rapids LFA and a $258 reduction in Oklahoma City. These two programs, as well as Grand Rapids HCD, also lowered respondents' total income in the last month of follow-up as measured by survey data. The estimate in Oklahoma City was not statistically significant, however.

Other outcomes. The programs evidenced occasional negative effects on other outcome measures for the graduate subgroup. Specifically, two education-focused programs, Columbus Integrated and Oklahoma City, lowered the rate of health care coverage for respondents and children by 9.3 and 11.4 percentage points, respectively. In Detroit a higher percentage of respondents than control group members in this subgroup paid for child care out-of-pocket. At the same time, two employment-focused programs and one education-focused program increased the proportion of recipients in this subgroup who had children with several problems.

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[4] Riverside HCDs and control group members are excluded from the following analyses because most members of this subgroup lacked a high school diploma or GED certificate at random assignment. (See Hamilton et al., 1997.)

Did either approach help recipients who were "most disadvantaged," that is, who faced multiple barriers to employment?

Several employment- and education-focused programs produced employment and earnings impacts for individuals facing multiple barriers to work. (See Table 11.3.) Employment-focused programs may have produced somewhat larger labor market effects within the two-year follow-up, but the evidence is not strong or definitive. All but two programs reduced welfare receipt and produced AFDC savings. (Only administrative records data are available for this subgroup.)[5]

Employment and earnings. Five programs (Portland, Grand Rapids LFA and HCD, and Riverside LFA and HCD) substantially raised both employment and earnings for the most disadvantaged sample members. Each of these programs increased the proportion of program group members in this subgroup who worked for pay during the follow-up period by more than 10 percentage points. Riverside LFA produced the largest effect (21.7 percentage points), followed by Portland (14.3 percentage points) and Riverside HCD (13.5 percentage points). Except for Grand Rapids HCD, these programs also increased the proportion of recipients who were employed in all four quarters in year 2. Gains in year 2 earnings were also substantial ($800 or more) in Grand Rapids LFA and Portland and more moderate ($600 or more) in the three other programs.

Welfare receipt. Seven programs produced statistically significant reductions in months on AFDC for the most disadvantaged. Three programs lowered the average number of months spent on welfare by two or more. All but two programs (Atlanta HCD and Oklahoma City) achieved reductions in year 2 welfare payments for the most disadvantaged. These reductions ranged from 5.5 percent (Detroit) to 20.3 percent (Grand Rapids LFA). Four programs (Grand Rapids LFA and HCD, Riverside LFA, and Portland) produced savings of at least 15 percent, and three programs (Riverside HCD, Columbus Integrated, and Oklahoma City) produced savings of at least 10 percent, although the difference in Oklahoma City was not statistically significant.

In most programs, decreases in AFDC payments outweighed increases in earnings. As a result, combined income from earnings, AFDC, and Food Stamps in the second year of follow-up was mostly lower for program group members than for control group members. These program-control differences, however, were not statistically significant, except in Riverside LFA, which reduced combined income in year 2 by more than $700. Difficulty in producing earnings increases that exceed welfare decreases for the most disadvantaged has been noted as a problem in prior welfare-to-work evaluations.

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[5] Sample sizes are too small to provide reliable estimates based on survey data.

How well did each approach succeed with recipients who had no recent work experience?

As shown in Table 11.4, all employment-focused programs and the majority of education-focused programs produced impacts on employment and earnings for recipients who did not have any recent work experience, without a clear advantage for either approach. Almost all programs successfully decreased welfare receipt for these sample members.

Employment-focused programs produced somewhat larger impacts on employment and welfare receipt than education-focused programs. Both approaches, however, produced similar effects on job quality and on earnings in the second year of follow-up. The employment-focused, varied first activity program in Portland produced the most dramatic earnings gains and welfare reductions, whereas the low enforcement education-focused programs in Detroit and Oklahoma City produced the smallest impacts for recipients in this subgroup.

Employment and earnings. Substantial impacts on employment, earnings, and employment stability for recipients who had not worked in the year prior to program entry were evident in all programs except Riverside HCD, Oklahoma City, and Detroit; also, Grand Rapids LFA did not increase employment stability. Portland produced the most impressive effects, raising two-year employment by 17.3 percentage points and increasing employment stability in year 2 by 10.9 percentage points. Additionally, Portland attained quite large earnings gains in the second year of follow-up amounting to more than $1,600 per program group member and more than double the earnings gain of the next nearest program for this subgroup.

In addition to Portland, all other programs except Oklahoma City produced employment impacts for recipients with no recent work experience. Three of these programs boosted two-year employment by more than 10 percentage points. Riverside LFA, in fact, attained an 18.3 percentage point increase in "Ever Employed in Year 1 or 2." Gains in stable employment were evident in six of these nine programs and ranged from 3.0 percentage points (Grand Rapids HCD) to 5.6 percentage points (Columbus Traditional). In addition, seven of the nine programs that raised employment also achieved moderate gains in year 2 earnings.

According to the survey data, only two employment-focused programs (Riverside LFA and Portland) and one education-focused program (Columbus Traditional) raised job quality. Program group respondents in these programs were more likely to hold a "good" job by 4.6 percentage points (Riverside LFA) to 7.9 percentage points (Portland). These same programs also raised average hourly pay among those employed by at least $0.30 per hour.

Welfare receipt. As shown in Table 11.4, almost all programs successfully decreased welfare receipt for individuals who had not worked in the year prior to study entry. All but one program (Detroit) lowered the amount of time that recipients spent on welfare by a statistically significant amount. Across all programs the median reduction in time on welfare was slightly more than one month. Except for Oklahoma City, these same programs also largely decreased average AFDC expenditures in the second year of follow-up. Five programs produced savings of more than 15 percent (not shown), and another two produced savings of more than 10 percent. Portland achieved the largest impact: a 26 percent reduction.

Impacts on combined income from earnings, AFDC, and Food Stamps were not associated with program approach. Three programs (Atlanta LFA and HCD and Portland) *increased* combined income in year 2 for this subgroup by more than $320. Three other programs

(Riverside LFA and HCD and Grand Rapids LFA) *decreased* combined income by a similar amount. According to the survey data, none of the programs increased respondents' total measured income at the end of two years. Oklahoma City, however, *decreased* total income by about $180.

Other outcomes. There was no consistent pattern of differences between employment- and education-focused programs with regard to other outcomes. Decreases in health care coverage in Atlanta LFA were concentrated among recipients who were not employed in the year prior to random assignment. In contrast, Columbus Traditional *increased* coverage for recipients and their children in this subgroup. Also, fewer recipients in Columbus Integrated and Atlanta LFA had children with at least three academic, behavioral, and/or health problems.

How well did each approach succeed with recipients who had worked in the year prior to program enrollment?

Few employment- and education-focused programs produced impacts on both employment and earnings for sample members who worked in the year prior to random assignment, who may be presumed to face fewer barriers to employment than those who did not work in the previous year. (See Table 11.7.) Only two employment-focused programs (Grand Rapids LFA and Portland) and one education-focused program (Grand Rapids HCD) produced impacts on both employment and earnings for individuals in this subgroup. Reductions in AFDC were more widespread: all but one of the programs decreased time on welfare and welfare payments.

Employment and earnings. Five programs representing both employment- and education-focused approaches increased employment for sample members who worked in the year prior to random assignment, but these effects were modest, except for Riverside LFA, which achieved a 10 percentage point gain. Five programs (Grand Rapids LFA and HCD, Columbus Integrated, Detroit, and Portland) also increased average year 2 earnings by modest amounts, from $575 to $682 per program group member. Only three programs (Grand Rapids LFA and HCD and Portland) produced impacts on both employment and earnings. Five programs raised employment stability for this subgroup in the second year of follow-up.

According to the survey data, two employment-focused programs raised job quality for sample members who worked in the year prior to random assignment. Riverside LFA and Portland increased the proportion of recipients in this subgroup who had a full-time job that provided health insurance by 5.4 percentage points and 12.1 percentage points, respectively. Portland also raised hourly wages among those employed by $1.56 for this subgroup.

Welfare receipt. Reductions in AFDC were more widespread than gains in earnings for sample members with recent work experience. Ten of the programs decreased time on welfare during the follow-up, typically by one to two months. All programs decreased average AFDC expenditures. Six programs generated at least a 15 percent savings in AFDC payments for these recipients in the second year of follow-up, and another two saved at least 10 percent.

Decreases in combined income from earnings, AFDC, and Food Stamps in year 2 for recipients who worked in the year prior to random assignment were evident in most programs, although they were statistically significant for only three programs. Specifically, Oklahoma City and Riverside LFA and HCD decreased combined income by $198 to $848 in the second year of follow-up. Survey data produced one conflict with these administrative records results: a statistically significant *increase* in respondents' *total* income in Oklahoma City at the end of year 2. Survey data also showed an increase in total income in Portland.

Other outcomes. Some programs produced large decreases in health care coverage for recipients and children for sample members with recent work experience. Columbus Integrated reduced coverage by 15.3 percentage points, followed by Oklahoma City (14.4 percentage points) and Riverside LFA (5.7 percentage points). In addition, both programs in Grand Rapids increased the likelihood of recipients having children with several problems. Columbus Integrated also substantially increased the proportion of respondents who paid for child care. Grand Rapids HCD, however, had the opposite effect.

Appendix A

Supplementary Tables to Chapter 4

National Evaluation of Welfare-to-Work Strategies

Appendix Table A.1

Impacts on Participation in Program Activities

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
		Any Activity[a]		
Ever participated (%)				
Atlanta Labor Force Attachment	1890	48.3	18.9	29.4 ***
Atlanta Human Capital Development	2199	51.5	18.9	32.6 ***
Grand Rapids Labor Force Attachment	1158	57.5	41.7	15.8 ***
Grand Rapids Human Capital Development	1158	63.0	41.7	21.3 ***
Riverside Labor Force Attachment	1678	53.6	29.3	24.2 ***
Lacked high school diploma or basic skills	1012	50.9	25.0	25.9 ***
Riverside Human Capital Development	1350	65.4	25.0	40.4 ***
Columbus Integrated	728	48.2	24.2	24.0 ***
Columbus Traditional	723	45.5	24.2	21.3 ***
Detroit	426	50.5	41.7	8.8 *
Oklahoma City	511	51.2	40.2	11.0 **
Portland	610	63.9	37.5	26.4 ***
		Job Search/Job Club		
Ever participated (%)				
Atlanta Labor Force Attachment	1890	33.6	4.6	29.1 ***
Atlanta Human Capital Development	2199	15.9	4.6	11.4 ***
Grand Rapids Labor Force Attachment	1158	31.9	4.9	27.1 ***
Grand Rapids Human Capital Development	1158	17.7	4.9	12.8 ***
Riverside Labor Force Attachment	1678	37.4	5.6	31.8 ***
Lacked high school diploma or basic skills	1012	39.3	5.6	33.7 ***
Riverside Human Capital Development	1350	26.7	5.6	21.1 ***
Columbus Integrated	728	14.2	3.9	10.3 ***
Columbus Traditional	723	11.6	3.9	7.7 ***
Detroit	426	12.0	5.0	6.9 **
Oklahoma City	511	12.3	7.2	5.1 *
Portland	610	40.4	8.2	32.2 ***

(continued)

Appendix Table A.1 (continued)

Sample Size	Program Group	Control Group	Difference (Impact)	Site and Program
	Basic Education[b]			
				Ever participated (%)
1890	10.1	5.0	5.1 ***	Atlanta Labor Force Attachment
2199	21.2	5.0	16.1 ***	Atlanta Human Capital Development
1158	13.2	13.4	-0.2	Grand Rapids Labor Force Attachment
1158	25.8	13.4	12.4 ***	Grand Rapids Human Capital Development
1678	6.7	7.2	-0.5	Riverside Labor Force Attachment
1012	9.9	11.6	-1.7	Lacked high school diploma or basic skills
1350	49.7	11.6	38.2 ***	Riverside Human Capital Development
728	20.7	8.8	11.9 ***	Columbus Integrated
723	20.0	8.8	11.2 ***	Columbus Traditional
426	19.6	19.4	0.2	Detroit
511	21.4	11.7	9.8 ***	Oklahoma City
610	15.3	10.0	5.3 **	Portland
Post-Secondary Education or Vocational Training				
				Ever participated (%)
1890	12.5	10.9	1.6	Atlanta Labor Force Attachment
2199	20.6	10.9	9.7 ***	Atlanta Human Capital Development
1158	25.0	27.5	-2.5	Grand Rapids Labor Force Attachment
1158	33.4	27.5	5.9 **	Grand Rapids Human Capital Development
1678	19.3	19.3	0.0	Riverside Labor Force Attachment
1012	11.7	12.0	-0.3	Lacked high school diploma or basic skills
1350	13.3	12.0	1.3	Riverside Human Capital Development
728	15.0	12.4	2.6	Columbus Integrated
723	18.4	12.4	6.0 **	Columbus Traditional
426	30.5	23.5	7.0 *	Detroit
511	28.8	25.6	3.2	Oklahoma City
610	28.7	21.4	7.3 **	Portland

(continued)

Appendix Table A.1 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
		Work Experience[c]		
Ever participated (%)				
Atlanta Labor Force Attachment	1890	7.5	1.0	6.4 ***
Atlanta Human Capital Development	2199	5.9	1.0	4.9 ***
Grand Rapids Labor Force Attachment	1158	4.9	1.7	3.2 ***
Grand Rapids Human Capital Development	1158	4.1	1.7	2.5 **
Riverside Labor Force Attachment	1678	2.7	1.6	1.0
Lacked high school diploma or basic skills	1012	2.1	1.0	1.1
Riverside Human Capital Development	1350	1.8	1.0	0.8
Columbus Integrated	728	8.8	2.2	6.7 ***
Columbus Traditional	723	7.5	2.2	5.4 ***
Detroit	426	1.1	1.2	-0.1
Oklahoma City	511	4.4	1.8	2.6 *
Portland	610	9.4	2.3	7.1 ***

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

(continued)

Appendix Table A.1 (continued)

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]"Any activity" includes job club/job search, ESL, adult basic education/GED, high school, post-secondary education, unpaid job, on-the-job-training, and vocational training.

[b]"Basic education" includes ESL, adult basic education/GED, and high school.

[c]"Work experience" includes unpaid job and on-the-job-training.

National Evaluation of Welfare-to-Work Strategies

Appendix Table A.2

Impacts on Participation in Program Activities, by High School Diploma/GED Status at Random Assignment

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
		A. With a High School Diploma or GED		
Any activity (%)[a]				
Atlanta Labor Force Attachment	995	50.1	20.1	30.0 ***
Atlanta Human Capital Development	1107	50.5	20.1	30.4 ***
Grand Rapids Labor Force Attachment	705	60.4	41.7	18.7 ***
Grand Rapids Human Capital Development	677	58.1	41.7	16.4 ***
Riverside Labor Force Attachment	666	57.0	35.1	22.0 ***
Columbus Integrated	425	46.7	25.8	20.8 ***
Columbus Traditional	430	43.2	25.8	17.4 ***
Detroit	238	47.1	42.6	4.5
Oklahoma City	267	47.0	41.4	5.6
Portland	415	66.0	35.5	30.6 ***
Job search/job club (%)				
Atlanta Labor Force Attachment	995	33.8	5.1	28.7 ***
Atlanta Human Capital Development	1107	19.1	5.1	14.0 ***
Grand Rapids Labor Force Attachment	705	34.0	4.2	29.8 ***
Grand Rapids Human Capital Development	677	16.1	4.2	11.9 ***
Riverside Labor Force Attachment	666	34.9	5.6	29.3 ***
Columbus Integrated	425	16.7	6.1	10.6 ***
Columbus Traditional	430	14.8	6.1	8.7 ***
Detroit	238	12.2	5.1	7.0 *
Oklahoma City	267	13.3	8.4	4.8
Portland	415	44.2	7.9	36.2 ***

(continued)

Appendix Table A.2 (continued)

Sample Size	Program Group	Control Group	Difference (Impact)	Site and Program
B. Without a High School Diploma or GED				
				Any activity (%)[a]
895	45.6	16.3	29.3 ***	Atlanta Labor Force Attachment
1092	53.2	16.3	36.8 ***	Atlanta Human Capital Development
453	52.5	41.8	10.7 **	Grand Rapids Labor Force Attachment
481	72.3	41.8	30.5 ***	Grand Rapids Human Capital Development
1012	50.9	25.0	25.9 ***	Riverside Labor Force Attachment
1350	65.4	25.0	40.4 ***	Riverside Human Capital Development
301	48.7	23.1	25.6 ***	Columbus Integrated
292	49.2	23.1	26.1 ***	Columbus Traditional
188	53.3	42.4	10.9	Detroit
234	55.5	39.3	16.2 **	Oklahoma City
189	60.2	41.4	18.8 **	Portland
				Job search/job club (%)
895	33.4	3.6	29.8 ***	Atlanta Labor Force Attachment
1092	10.8	3.6	7.2 ***	Atlanta Human Capital Development
453	27.6	6.1	21.5 ***	Grand Rapids Labor Force Attachment
481	21.0	6.1	14.9 ***	Grand Rapids Human Capital Development
1012	39.3	5.6	33.7 ***	Riverside Labor Force Attachment
1350	26.7	5.6	21.1 ***	Riverside Human Capital Development
301	9.4	0.5	8.9 ***	Columbus Integrated
292	7.3	0.5	6.8 **	Columbus Traditional
188	12.3	4.4	7.9 *	Detroit
234	10.1	6.1	4.0	Oklahoma City
189	33.4	7.5	25.8 ***	Portland

(continued)

Appendix Table A.2 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
		A. With a High School Diploma or GED		
Basic education (%)[b]				
Atlanta Labor Force Attachment	995	3.2	2.5	0.7
Atlanta Human Capital Development	1107	7.9	2.5	5.4 ***
Grand Rapids Labor Force Attachment	705	4.3	3.5	0.8
Grand Rapids Human Capital Development	677	8.7	3.5	5.2 ***
Riverside Labor Force Attachment	666	2.5	1.6	0.9
Columbus Integrated	425	7.7	3.1	4.6 **
Columbus Traditional	430	5.0	3.1	1.8
Detroit	238	6.9	10.1	-3.1
Oklahoma City	267	4.0	0.5	3.5 *
Portland	415	5.3	0.6	4.7 ***
Post-secondary education or vocational training (%)				
Atlanta Labor Force Attachment	995	15.7	14.3	1.5
Atlanta Human Capital Development	1107	29.6	14.3	15.3 ***
Grand Rapids Labor Force Attachment	705	33.0	36.0	-3.0
Grand Rapids Human Capital Development	677	39.5	36.0	3.4
Riverside Labor Force Attachment	666	29.4	28.9	0.5
Columbus Integrated	425	21.2	17.9	3.3
Columbus Traditional	430	23.2	17.9	5.3
Detroit	238	34.6	32.5	2.1
Oklahoma City	267	35.9	34.5	1.4
Portland	415	31.2	26.0	5.2

continued)

Appendix Table A.2 (continued)

Sample Size	Program Group	Control Group	Difference (Impact)	Site and Program
B. Without a High School Diploma or GED				
				Basic education (%)[b]
895	21.9	8.6	13.3 ***	Atlanta Labor Force Attachment
1092	42.8	8.6	34.2 ***	Atlanta Human Capital Development
453	29.5	32.2	-2.8	Grand Rapids Labor Force Attachment
481	57.9	32.2	25.6 ***	Grand Rapids Human Capital Development
1012	9.9	11.6	-1.7	Riverside Labor Force Attachment
1350	49.7	11.6	38.2 ***	Riverside Human Capital Development
301	39.6	16.8	22.9 ***	Columbus Integrated
292	41.9	16.8	25.1 ***	Columbus Traditional
188	35.6	31.8	3.8	Detroit
234	42.6	24.8	17.8 ***	Oklahoma City
189	37.1	30.9	6.2	Portland
				Post-secondary education or vocational training (%)
895	7.1	5.1	1.9	Atlanta Labor Force Attachment
1092	6.3	5.1	1.1	Atlanta Human Capital Development
453	10.9	11.8	-0.9	Grand Rapids Labor Force Attachment
481	21.5	11.8	9.7 ***	Grand Rapids Human Capital Development
1012	11.7	12.0	-0.3	Riverside Labor Force Attachment
1350	13.3	12.0	1.3	Riverside Human Capital Development
301	5.9	5.3	0.5	Columbus Integrated
292	11.1	5.3	5.7 *	Columbus Traditional
188	24.4	13.9	10.5 *	Detroit
234	19.5	15.5	4.0	Oklahoma City
189	23.6	10.8	12.8 **	Portland

(continued)

Appendix Table A.2 (continued)

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)
		A. With a High School Diploma or GED		
Work experience (%)[c]				
Atlanta Labor Force Attachment	995	9.5	0.9	8.6 ***
Atlanta Human Capital Development	1107	8.5	0.9	7.6 ***
Grand Rapids Labor Force Attachment	705	5.6	1.8	3.8 **
Grand Rapids Human Capital Development	677	5.4	1.8	3.6 **
Riverside Labor Force Attachment	666	3.4	2.4	1.0
Columbus Integrated	425	9.5	1.5	8.0 ***
Columbus Traditional	430	8.4	1.5	6.9 ***
Detroit	238	1.0	2.4	-1.4
Oklahoma City	267	5.0	2.4	2.6
Portland	415	7.8	1.9	5.9 **

continued)

Appendix Table A.2 (continued)

Sample Size	Program Group	Control Group	Difference (Impact)	Site and Program
B. Without a High School Diploma or GED				
				Work experience (%)[c]
895	4.0	1.1	2.9 ***	Atlanta Labor Force Attachment
1092	1.8	1.1	0.7	Atlanta Human Capital Development
453	3.3	1.2	2.1	Grand Rapids Labor Force Attachment
481	2.2	1.2	0.9	Grand Rapids Human Capital Development
1012	2.1	1.0	1.1	Riverside Labor Force Attachment
1350	1.8	1.0	0.8	Riverside Human Capital Development
301	7.3	3.8	3.5	Columbus Integrated
292	6.2	3.8	2.4	Columbus Traditional
188	1.3	-0.1	1.5	Detroit
234	4.1	1.0	3.0	Oklahoma City
189	11.7	3.7	8.0 *	Portland

SOURCE and NOTES: See Appendix Table A.1.

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Appendix Table A.3

Two-Year Impacts on Education or Training Credentials for All Sample Members

Site and Program	Sample Size	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
	Received any education or training credentials (%)				
Atlanta Labor Force Attachment	1890	9.5	6.2	3.4 **	54.7
Atlanta Human Capital Development	2199	13.1	6.2	6.9 ***	112.3
Grand Rapids Labor Force Attachment	1158	9.9	15.0	-5.1 **	-34.2
Grand Rapids Human Capital Development	1158	21.6	15.0	6.6 ***	44.2
Riverside Labor Force Attachment	1678	9.0	9.8	-0.8	-8.0
Lacked high school diploma or basic skills	1012	6.3	8.7	-2.4	-27.9
Riverside Human Capital Development	1350	14.2	8.7	5.5 ***	62.8
Columbus Integrated	728	10.7	9.7	1.0	10.5
Columbus Traditional	723	12.7	9.7	3.0	30.6
Detroit	426	18.0	14.0	4.0	28.8
Oklahoma City	511	17.1	14.6	2.5	17.0
Portland	610	18.4	10.2	8.2 ***	80.1
	Received a high school diploma or GED (%)				
Atlanta Labor Force Attachment	1890	2.1	1.2	0.9	72.8
Atlanta Human Capital Development	2199	2.2	1.2	1.0	79.0
Grand Rapids Labor Force Attachment	1158	2.4	4.2	-1.8	-42.2
Grand Rapids Human Capital Development	1158	6.7	4.2	2.5 **	60.3
Riverside Labor Force Attachment	1678	1.3	1.6	-0.3	-20.2
Lacked high school diploma or basic skills	1012	1.5	2.4	-0.9	-38.6
Riverside Human Capital Development	1350	10.6	2.4	8.3 ***	349.3
Columbus Integrated	728	5.1	2.9	2.1	73.0
Columbus Traditional	723	6.2	2.9	3.3 **	112.8
Detroit	426	7.1	5.6	1.5	26.5
Oklahoma City	511	7.8	4.3	3.4	79.6
Portland	610	6.1	1.8	4.3 **	237.4

(continued)

Appendix Table A.3 (continued)

Program Group	Control Group	Difference (Impact)		Percentage Change (%)	Site and Program
Received a trade license or certificate (%)					
7.5	4.6	2.9	**	63.5	Atlanta Labor Force Attachment
11.1	4.6	6.5	***	141.4	Atlanta Human Capital Development
7.0	9.2	-2.3		-24.5	Grand Rapids Labor Force Attachment
14.0	9.2	4.7	***	51.2	Grand Rapids Human Capital Development
7.0	7.5	-0.5		-6.4	Riverside Labor Force Attachment
5.5	6.6	-1.1		-16.5	Lacked high school diploma or basic skills
4.9	6.6	-1.8		-26.9	Riverside Human Capital Development
4.6	7.3	-2.6		-36.3	Columbus Integrated
6.8	7.3	-0.5		-6.9	Columbus Traditional
12.5	9.2	3.3		36.4	Detroit
10.6	9.7	1.0		9.9	Oklahoma City
12.0	5.8	6.2	**	108.0	Portland

SOURCE and NOTES: See Table 4.2.

Appendix B

Supplementary Tables to Chapter 8

National Evaluation of Welfare-to-Work Strategies

Appendix Table B.1

Welfare, Employment, and Health Care Coverage Status for Respondents and All Children at the End of Two Years

Site and Program	Program Group	Control Group	Difference (Impact)
Atlanta Labor Force Attachment			
(1) On AFDC: has Medicaid	59.9	64.8	-4.9 **
(2) Employed	9.4	11.3	-1.9
(3) Not employed	50.5	53.5	-3.0
(4) Off AFDC	40.1	35.2	4.9 **
(5) Employed	30.0	25.0	5.0 ***
(6) Health coverage	15.6	12.5	3.1 **
(7) No coverage	14.5	12.5	1.9
(8) Not employed	10.0	10.2	-0.1
(9) Health coverage	4.3	3.4	0.9
(10) No coverage	5.7	6.8	-1.1
Sample size	804	1086	
Atlanta Human Capital Development			
(1) On AFDC: has Medicaid	61.6	64.8	-3.2
(2) Employed	10.7	11.3	-0.6
(3) Not employed	50.9	53.5	-2.6
(4) Off AFDC	38.4	35.2	3.2
(5) Employed	26.4	25.0	1.4
(6) Health coverage	14.0	12.5	1.5
(7) No coverage	12.4	12.5	-0.2
(8) Not employed	12.0	10.2	1.8
(9) Health coverage	4.1	3.4	0.7
(10) No coverage	7.9	6.8	1.2
Sample size	1113	1086	

(continued)

Appendix Table B.1 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)
Grand Rapids Labor Force Attachment			
(1) On AFDC: has Medicaid	42.4	49.1	-6.6 **
(2) Employed	15.6	13.9	1.7
(3) Not employed	26.8	35.1	-8.3 ***
(4) Off AFDC	57.6	50.9	6.6 **
(5) Employed	40.9	37.5	3.4
(6) Health coverage	25.0	23.9	1.1
(7) No coverage	15.9	13.5	2.3
(8) Not employed	16.7	13.4	3.2
(9) Health coverage	9.8	7.4	2.4
(10) No coverage	6.9	6.0	0.8
Sample size	574	584	
Grand Rapids Human Capital Development			
(1) On AFDC: has Medicaid	46.6	49.1	-2.5
(2) Employed	15.6	13.9	1.7
(3) Not employed	30.9	35.1	-4.2
(4) Off AFDC	53.4	50.9	2.5
(5) Employed	37.5	37.5	0.0
(6) Health coverage	22.8	23.9	-1.1
(7) No coverage	14.6	13.5	1.1
(8) Not employed	16.0	13.4	2.5
(9) Health coverage	9.9	7.4	2.5
(10) No coverage	6.1	6.0	0.0
Sample size	574	584	

(continued)

Appendix Table B.1 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)
Riverside Labor Force Attachment			
(1) On AFDC: has Medicaid	60.2	69.0	-8.8 ***
(2) Employed	18.1	16.4	1.7
(3) Not employed	42.1	52.6	-10.5 ***
(4) Off AFDC	39.8	31.0	8.8 ***
(5) Employed	24.4	19.0	5.4 ***
(6) Health coverage	13.2	9.9	3.3 **
(7) No coverage	11.3	9.1	2.1
(8) Not employed	15.4	12.0	3.4 **
(9) Health coverage	7.4	5.8	1.6
(10) No coverage	8.0	6.2	1.8
Sample size	564	1114	
Riverside Human Capital Development			
(1) On AFDC: has Medicaid	68.0	73.6	-5.6 **
(2) Employed	17.3	14.3	3.0
(3) Not employed	50.8	59.4	-8.6 ***
(4) Off AFDC	32.0	26.4	5.6 **
(5) Employed	19.6	14.2	5.4 **
(6) Health coverage	9.5	6.2	3.3 *
(7) No coverage	10.2	8.0	2.2
(8) Not employed	12.3	12.2	0.2
(9) Health coverage	5.8	5.6	0.2
(10) No coverage	6.6	6.6	0.0
Sample size	621	729	

(continued)

Appendix Table B.1 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)
Columbus Integrated			
(1) On AFDC: has Medicaid	43.7	56.7	-13.0 ***
(2) Employed	9.7	9.7	0.0
(3) Not employed	34.0	47.0	-13.0 ***
(4) Off AFDC	56.3	43.3	13.0 ***
(5) Employed	42.2	30.9	11.3 ***
(6) Health coverage	21.9	17.4	4.6
(7) No coverage	20.2	13.5	6.7 **
(8) Not employed	14.1	12.4	1.7
(9) Health coverage	8.1	6.8	1.4
(10) No coverage	6.0	5.6	0.4
Sample size	371	357	
Columbus Traditional			
(1) On AFDC: has Medicaid	54.2	56.7	-2.5
(2) Employed	12.9	9.7	3.2
(3) Not employed	41.3	47.0	-5.7
(4) Off AFDC	45.8	43.3	2.5
(5) Employed	33.1	30.9	2.2
(6) Health coverage	20.4	17.4	3.0
(7) No coverage	12.7	13.5	-0.8
(8) Not employed	12.7	12.4	0.3
(9) Health coverage	7.3	6.8	0.5
(10) No coverage	5.4	5.6	-0.2
Sample size	366	357	

(continued)

Appendix Table B.1 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)
Detroit			
(1) On AFDC: has Medicaid	65.3	67.6	-2.3
(2) Employed	18.8	15.6	3.2
(3) Not employed	46.5	52.0	-5.5
(4) Off AFDC	34.7	32.4	2.3
(5) Employed	24.8	18.5	6.2
(6) Health coverage	16.1	11.2	4.8
(7) No coverage	8.7	7.3	1.4
(8) Not employed	10.0	13.9	-3.9
(9) Health coverage	6.4	9.5	-3.1
(10) No coverage	3.6	4.4	-0.8
Sample size	210	216	
Oklahoma City			
(1) On AFDC: has Medicaid	33.7	41.1	-7.4 *
(2) Employed	7.3	6.3	1.0
(3) Not employed	26.4	34.8	-8.4 **
(4) Off AFDC	66.3	58.9	7.4 *
(5) Employed	41.4	42.0	-0.6
(6) Health coverage	14.0	22.1	-8.1 **
(7) No coverage	27.4	19.9	7.5 **
(8) Not employed	24.8	16.9	7.9 **
(9) Health coverage	8.9	4.4	4.5 **
(10) No coverage	16.0	12.6	3.4
Sample size	259	252	

(continued)

Appendix Table B.1 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)
Portland			
(1) On AFDC: has Medicaid	43.7	57.7	-14.0 ***
(2) Employed	8.1	8.2	-0.1
(3) Not employed	35.6	49.5	-13.9 ***
(4) Off AFDC	56.3	42.3	14.0 ***
(5) Employed	42.0	26.6	15.4 ***
(6) Health coverage	27.3	18.9	8.4 **
(7) No coverage	14.7	7.7	7.0 **
(8) Not employed	14.3	15.7	-1.4
(9) Health coverage	9.5	9.0	0.5
(10) No coverage	4.8	6.7	-1.9
Sample size	297	313	

SOURCES and NOTES: See Table 8.1.

Appendix C

Family Circumstances, Child Outcomes, and Impacts for Families with Preschool-Age Children

Supplementary Tables to Chapter 10

Family Circumstances, Child Outcomes, and Impacts for Families with Preschool-Age Children

I. Family Circumstances: Marital Status, Additional Child Births, Household Composition, and Housing Situations

Two years after random assignment, what were the family circumstances of children in families on welfare assigned to the control group?

Appendix Table C.1 provides an overview of the family circumstances of welfare recipients who were not in a mandatory welfare-to-work program, that is, control group members, in terms of marital status, additional child births, household composition, and housing situations.

The majority of control group members' children across all sites were living in single-parent families.[1] Typically, control group members were either never married (ranging from 27 percent in Riverside LFA to 55 percent in Atlanta) or were no longer married because they had become separated, divorced, or widowed (ranging from 34 percent in Detroit to 49 percent in Riverside HCD). A small percentage of the control sample was either living as a couple (4 to 13 percent) or married (4 to 19 percent).

The median rate of having another child during the follow-up period was 12 percent. About 6 percent (Atlanta) to 15 percent (Oklahoma City) of control group members had had a baby since study entry.

Control group members' households differed across families, as indicated in Appendix Table C.1[2] The majority lived in a household composed solely of themselves and their child(ren). In all sites except Riverside and Oklahoma City, this rate was at least 50 percent. Detroit had the highest proportion (62 percent) of families consisting of only the parent and her children.

The second most common household arrangement for control group members included relatives, which consisted of extended family such as grandparents, aunts, uncles, and siblings in addition to the parent and her children. Atlanta had the highest proportion (24 percent) of households that included extended family across all sites, while Grand Rapids had the lowest (14 percent). In most sites similar portions of the sample consisted of control group members living in a household that included the parent, her *spouse*, and children or in a household that included the parent, her *partner*, and children.

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[1] At the time of the follow-up interview, parents were asked about their marital status. Categories of marital status include single; living as a couple with a boyfriend/girlfriend or partner without being married; married and living with spouse; and once married, but now separated, divorced, or widowed.

[2] Parents were also asked to complete a grid indicating who was living in their household and what the relationship of each person was to them. Categories of household composition consist of the following: (1) includes only the parent, spouse, and children (that is, no other people live in the household such as grandparents or unrelated adults); (2) includes the parent, parent's partner, and parent's children (again, no one else lives in the household); (3) includes the parent, parent's children, and any relatives (for example, parents, grandparents, siblings); (4) includes the parent, parent's children, and any nonrelatives (unrelated adults or children); (5) includes only the parent and the parent's children; and (6) includes the parent and others, but not the parent's children.

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Appendix Table C.1

Family Circumstances of Control Group Members at the End of Follow-Up

		Marital Status and Incidence of Child Birth				
Site and Program	Sample Size	Single (%)	Living as a Couple (%)	Married and Living with Spouse (%)	No Longer Married[a] (%)	Had a Baby Since Study Entry (%)
Atlanta	1086	55.4	4.4	4.0	36.2	6.4
Grand Rapids	584	39.5	11.0	11.8	37.7	11.1
Riverside Labor Force Attachment	1114	26.9	11.1	13.4	48.5	12.7
Riverside Human Capital Development	729	29.7	10.1	10.9	49.3	13.6
Columbus	357	40.0	9.7	9.0	41.3	7.9
Detroit	216	54.1	4.9	7.6	33.5	12.3
Oklahoma City	252	31.0	8.8	19.1	41.0	14.9
Portland	313	37.2	12.9	9.0	41.0	10.7

(continued)

Appendix Table C.1 (continued)

Site and Program	Sample Size	Household Composition Includes Only Parent, Spouse, and Children (%)	Includes Parent, Partner, and Children (%)	Includes Relatives (%)	Includes Non-Relatives (%)	Includes Only Parent and Children (%)	Does Not Include Parent's Children (%)
Atlanta	1086	3.8	4.6	23.7	3.2	58.1	6.6
Grand Rapids	584	11.2	10.9	13.6	5.4	52.8	6.0
Riverside Labor Force Attachment	1114	12.7	10.7	17.3	6.7	47.0	5.6
Riverside Human Capital Development	729	10.1	9.8	20.3	6.7	47.3	5.8
Columbus Traditional	357	8.9	9.6	15.1	5.6	55.1	5.7
Detroit	216	7.6	4.9	18.6	3.8	61.9	3.2
Oklahoma City	252	18.2	9.8	22.0	3.2	41.2	5.6
Portland	313	8.4	12.7	15.5	7.2	52.0	4.2

(continued)

Appendix Table C.1 (continued)

		Housing Situation					
Site and Program	Sample Size	Owns Home (%)	Rents Home (%)	Lives with Family or Friends and Pays No Rent (%)	Lives with Family or Friends and Pays Rent (%)	Lives in Group Shelter (%)	Lives in Other Situation [b] (%)
Atlanta	1086	2.1	77.5	4.6	14.1	0.4	1.1
Grand Rapids	584	11.9	72.6	3.7	10.3	0.2	1.2
Riverside Labor Force Attachment	1114	6.0	68.8	3.6	19.7	0.2	1.5
Riverside Human Capital Development	729	6.1	66.7	3.0	22.3	0.4	1.3
Columbus Traditional	357	5.1	78.2	4.2	11.3	0.3	0.9
Detroit	216	8.4	81.5	2.8	7.0	0.0	0.3
Oklahoma City	252	11.2	58.7	9.5	17.4	0.0	3.2
Portland	313	4.3	72.5	3.0	17.2	1.0	2.0

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

[a] "No longer married" includes respondents who were separated, divorced or widowed, but were once married.

[b] "Lives in other situation" includes respondents who reported being in jail or being homeless.

A small percentage of households included a nonrelative (which could indicate a family who doubled up) in addition to the parent and her children or the parent and others but not the parent's children. The proportion of controls living with nonrelatives ranged from 3 percent (Atlanta and Oklahoma City) to 7 percent (Portland). The percentage of controls living without their children also ranged from 3 percent (Detroit) to 7 percent (Atlanta). These households may not have included children because, for example, the children were staying at a relative's house, had been removed from the parent's home, or had aged out of the household by the time of the follow-up interview.

As shown in Appendix Table C.1, about 59 percent (Oklahoma City) to 82 percent (Detroit) of control group members rented their home, at a median rate of 73 percent. A moderate portion of controls lived with family or friends and *paid* rent, that is, about 7 percent (Detroit) to 22 percent (Riverside HCD), with a median of 16 percent. A smaller proportion of the control group sample lived with family or friends and *did not pay* rent (a median of 4 percent, within a range of 3 percent to 10 percent). Similarly, about 2 percent (Atlanta) to 12 percent (Grand Rapids) of control group members owned their home, with a median rate of 6 percent. Finally, very few control group members were living in a group shelter, were homeless, or were in jail (3 percent or less across all sites).

What were the effects of the welfare-to-work programs on marital status, child births, household composition, and housing?

Appendix Table C.2 presents program impacts on family circumstances. Most welfare-to-work programs did not have an impact on the marital status that recipients reported for themselves at the time of the interview. Two programs, however, did produce impacts on marital status. Portland increased the proportion of program group members who were living as an unmarried couple by 5 percentage points. Riverside LFA reduced the number of program group members who were married and living with their spouse by nearly 3 percentage points. Only one program had an effect on additional child births during the two-year follow-up period: Columbus Traditional reduced the proportion of program group members who had another baby since study entry by 3 percentage points compared with controls. Therefore, the welfare-to-work programs in this evaluation did not have a positive impact on marriage and had very little, if any, effect on additional child births.

Similarly, only two programs had an impact on families' household composition. Atlanta LFA increased the proportion of program group members who lived only with their children by 4 percentage points. Grand Rapids HCD *decreased* the proportion of program group members whose household included nonrelatives (close to 3 percentage points) and *increased* the proportion whose household did not include their children (about 3 percentage points).

Impacts on families' housing situations were not extensive, although five programs did produce impacts. Atlanta LFA increased the proportion of respondents who lived with family or friends and did not pay rent by about 2 percentage points. Atlanta HCD increased the proportion who lived in "other situation" by 1 percentage point; Grand Rapids LFA increased it by 1.5 percentage points. Riverside LFA reduced the proportion who lived with family or friends and paid rent by about 3 percentage points and had an impact on the number of program group members who lived in a group shelter of about half a percentage point. Columbus Traditional produced a 5

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Appendix Table C.2

Program Impacts on Family Circumstances at the End of Follow-Up

		Marital Status and Incidence of Child Birth				
Site and Program	Sample Size	Single (%)	Living as a Couple (%)	Married and Living with Spouse (%)	No Longer Married [a] (%)	Had a Baby Since Study Entry (%)
Atlanta Labor Force Attachment	1890	1.3	-1.0	-0.3	0.0	0.5
Atlanta Human Capital Development	2199	1.0	-1.0	-1.2	1.2	1.4
Grand Rapids Labor Force Attachment	1158	1.5	0.3	1.3	-3.1	1.9
Grand Rapids Human Capital Development	1158	-1.9	0.8	0.3	0.8	2.4
Riverside Labor Force Attachment	1678	-0.8	0.9	-2.7 *	2.7	-0.2
Lacked high school diploma or basic skills	1012	-1.4	2.4	0.1	-1.1	-1.5
Riverside Human Capital Development	1350	-1.8	-0.4	1.6	0.6	0.7
Columbus Integrated	728	-4.3	1.3	1.1	1.9	1.7
Columbus Traditional	723	-4.2	0.8	0.9	2.4	-3.2 *
Detroit	426	1.2	2.0	-3.4	0.2	-2.6
Oklahoma City	511	-1.0	-0.7	-3.4	5.2	0.7
Portland	610	-3.1	5.2 *	-0.2	-1.9	-1.2

(continued)

Appendix Table C.2 (continued)

Site and Program	Sample Size	Household Composition: Includes only Parent, Spouse, and Children (%)	Household Composition: Includes Parent, Partner, and Children (%)	Household Composition: Includes Relatives (%)	Household Composition: Includes Non-Relatives (%)	Household Composition: Includes Only Parent and Children (%)	Household Composition: Does Not Include Parent's Children (%)
Atlanta Labor Force Attachment	1890	-0.2	-1.2	-2.2	-0.7	4.2 *	0.0
Atlanta Human Capital Development	2199	-1.1	-1.1	0.0	-0.9	2.9	0.2
Grand Rapids Labor Force Attachment	1158	1.3	-0.5	-0.1	-0.8	-0.7	0.9
Grand Rapids Human Capital Development	1158	0.7	-0.3	-0.2	-2.6 **	-0.2	2.7 *
Riverside Labor Force Attachment	1678	-2.4	0.9	-0.8	-0.9	2.4	0.9
Lacked high school diploma or basic skills	1012	0.3	2.3	-4.6 **	-0.3	2.2	0.1
Riverside Human Capital Development	1350	1.7	-0.1	0.1	-0.5	-0.5	-0.7
Columbus Integrated	728	0.4	0.6	0.7	-2.6	-0.1	1.0
Columbus Traditional	723	0.5	-0.4	2.6	0.8	-4.4	1.0
Detroit	426	-3.4	2.0	-0.6	-0.2	1.5	0.6
Oklahoma City	511	-3.8	-1.1	-3.3	1.0	5.5	1.7
Portland	610	0.3	4.2	-1.1	2.7	-6.7	0.6

(continued)

Appendix Table C.2 (continued)

		Housing Situation					
Site and Program	Sample Size	Owns Home (%)	Rents Home (%)	Lives with Family or Friends and Pays No Rent (%)	Lives with Family or Friends and Pays Rent (%)	Lives in Group Shelter (%)	Lives in Other Situation[b] (%)
Atlanta Labor Force Attachment	1890	-0.1	-1.3	1.9 *	-0.6	-0.3	0.3
Atlanta Human Capital Development	2199	-0.3	0.0	1.2	-1.6	-0.1	1.0 *
Grand Rapids Labor Force Attachment	1158	-0.7	-1.9	-0.9	2.0	0.2	1.5 *
Grand Rapids Human Capital Development	1158	-1.4	3.0	-0.8	-1.8	-0.2	1.1
Riverside Labor Force Attachment	1678	1.6	1.3	-0.4	-3.0 *	0.6 *	-0.1
Lacked high school diploma or basic skills	1012	1.7	4.2	-0.2	-5.5 **	0.1	-0.1
Riverside Human Capital Development	1350	-1.1	-0.6	1.2	0.8	-0.1	0.1
Columbus Integrated	728	-0.5	0.8	-1.8	0.7	0.0	0.8
Columbus Traditional	723	-0.2	-4.0	-1.0	5.0 **	0.6	-0.4
Detroit	426	1.5	-5.8	0.1	3.4	0.0	0.8
Oklahoma City	511	1.1	1.3	-0.7	-0.4	0.0	-1.3
Portland	610	-1.6	-0.7	1.1	1.3	-1.0	0.4

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: Measures in this table represent weighted averages. Measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of self-selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a] "No longer married" includes respondents who were separated, divorced or widowed, but were once married.

[b] "Lives in other situation" includes respondents who reported being in jail or being homeless.

percentage point *increase* in the number of program group members who lived with family or friends and paid rent.

II. Child Outcomes and Impacts for Families with Preschool-Age Children

What were the child outcomes and impacts for families with preschool-age children?

See Appendix Tables C.3-C.5.

National Evaluation of Welfare-to-Work Strategies

Appendix Table C.3

Program Impacts on Adult Outcomes Theoretically Linked to Children's Well-Being for Families with a Preschool-Age Child[a]

	Education	Employment	Earnings and Income			Household Composition	Child Care
Site and Program	Received a High School Diploma or GED (%)	Ever Employed During Two-Year Follow-Up (%)	Average Total Earnings in Years 1 and 2[b] ($)	Average Combined Income in Year 2[b] ($)	Income at or Above Poverty Level in Year 2[b] (%)	Single Parent Living Only with Children (%)	Used Paid Child Care While Employed (%)
Atlanta Labor Force Attachment	0.1	4.8 *	701 *	119	0.9	2.8	9.2 ***
Atlanta Human Capital Development	1.5 *	3.7	236	181	1.4	0.1	5.3 *
Grand Rapids Labor Force Attachment	-1.2	11.7 ***	1243 ***	-168	1.8	-1.4	9.1 **
Grand Rapids Human Capital Development	4.0 **	3.9	839 ***	123	0.8	3.7	2.3
Riverside Labor Force Attachment	0.2	19.4 ***	1562 ***	-181	2.5 **	2.9	11.8 ***
Lacked high school diploma or basic skills	-0.6	22.1 ***	1084 ***	-500 **	1.5	-0.2	13.5 ***
Riverside Human Capital Development	10.0 ***	11.8 ***	559 *	-376	1.7	-1.9	10.4 ***
Columbus Integrated	2.8	7.4	968 ***	119	0.7	-1.9	7.3
Columbus Traditional	1.9	1.6	845 **	45	1.3	-6.2	3.3
Detroit	4.5	1.3	296	182	0.4	2.1	12.2 **
Oklahoma City	5.3 *	11.0 **	33	-40	0.8	0.9	13.1 **
Portland	6.1 **	10.1 **	2136 ***	341 *	5.5 ***	-6.5	11.2 **

SOURCES: MDRC calculations from the Two-Year Client Survey and from unemployment insurance (UI) earnings, AFDC, and Food Stamp records.

NOTES: See Table 10.1.

Sample sizes vary because some individuals are excluded from the analysis. Not all sites included sample members with children under age 3.

[a] These are families whose youngest child in the household at baseline was under age 6 , but could include families who have older children as well.

[b] Administrative records-based; all other measures are survey-based.

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Appendix Table C.4

Child Outcomes
for Control Group Families with a Preschool-Age Child[a]

		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attending a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attending a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta	537	13.5	13.3	7.2	19.4	9.8	1.7	21.9	10.7
Grand Rapids	331	11.4	28.0	14.9	10.6	26.9	5.1	34.9	17.9
Riverside Labor Force Attachment	522	10.0	20.8	3.8	9.6	20.1	4.1	32.8	12.1
Riverside Human Capital Development	344	11.9	21.9	5.7	11.2	24.7	4.0	33.1	15.7
Columbus	170	18.5	24.7	8.2	11.5	21.8	4.7	37.9	20.5
Detroit	132	12.6	9.7	3.0	8.8	8.8	1.3	21.4	6.4
Oklahoma City	166	9.4	21.0	2.9	11.4	16.8	3.1	39.4	12.4
Portland	190	10.4	29.9	10.5	5.6	27.2	6.7	36.9	-5.3

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 10.2.

[a] These are families whose youngest child in the household at baseline was under age 6, but could include families who have older children as well. The measures should be attributed to how any child in the family is doing, including both young and older children.

[b] "Behavior or Emotional Problems" includes both respondents who reported that any of their children received help for behavioral or emotional problems and respondents who felt that any of their children needed to get this kind of help, if they were not already receiving it.

[c] Respondents were asked if any of their children were removed from their care because they couldn't care for or handle them.

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Appendix Table C.5

Program Impacts on Child Outcomes in Families with a Preschool-Age Child[a]

		Behavioral Adjustment			School Progress		Health and Safety		Composite
Site and Program	Sample Size	Suspended (%)	Behavioral or Emotional Problems[b] (%)	Attending a Special Class for Behavioral Problems (%)	Repeated a Grade (%)	Attending a Special Class for Learning Problems (%)	Removed from Mother's Care[c] (%)	Taken to Hospital for Accident, Injury, or Poisoning (%)	3 to 7 Indicators Were True for Children Within Family (%)
Atlanta Labor Force Attachment	949	-1.0	-0.6	-2.2	-3.0	2.7	0.9	4.1	-0.2
Atlanta Human Capital Development	1082	1.8	-1.5	-1.5	-7.6 ***	-0.7	-0.2	-1.2	-2.2
Grand Rapids Labor Force Attachment	638	-0.4	-2.2	-6.1 **	1.2	-7.1 **	-1.0	0.3	-4.7 *
Grand Rapids Human Capital Development	644	-2.6	-2.0	-5.7 **	0.1	-4.3	-2.0	-3.9	-1.5
Riverside Labor Force Attachment	751	6.1 ***	5.7 *	2.5	-1.5	1.6	-1.1	-2.3	1.4
Lacked high school diploma or basic skills	464	4.0	0.4	0.2	-2.6	-4.9	-0.7	-4.6	-5.3 *
Riverside Human Capital Development	618	-2.7	-3.7	-0.8	-0.2	-7.2 **	-2.3	-2.8	-4.0
Columbus Integrated	333	0.1	7.5	1.5	2.7	-4.9	-0.4	-9.5 *	-1.7
Columbus Traditional	322	-1.3	-0.1	1.7	2.6	6.0	-1.5	-8.9 *	0.4
Detroit	265	-3.2	3.3	-1.4	-4.0	-1.0	0.5	-2.8	0.1
Oklahoma City	316	-6.5 **	-3.5	-0.2	-2.6	-4.0	0.9	0.9	-3.5
Portland	382	0.4	-3.2	-1.9	-0.4	-3.2	-2.4	-2.4	-5.3

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTES: See Table 10.2.

[a] These are families whose youngest child in the household at baseline was under age 6, but could include families who have older children as well. The measures should be attributed to how any child in the family is doing, including both young and older children.

[b] "Behavior or Emotional Problems" includes both respondents who reported that any of their children received help for behavioral or emotional problems and respondents who felt that any of their children needed to get this kind of help, if they were not already receiving it.

[c] Respondents were asked if any of their children were removed from their care because they couldn't care for or handle them.

Appendix D

Supplementary Tables to Chapter 11

National Evaluation of Welfare-to-Work Strategies

Appendix Table D.1

Program Impacts on Selected Measures for Sample Members on Welfare Two Years or More Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	2495	6.6 ***	5.8 ***	620 ***
Atlanta Human Capital Development	2543	4.6 **	4.2 ***	534 ***
Grand Rapids Labor Force Attachment	1791	5.8 ***	5.1 ***	492 **
Grand Rapids Human Capital Development	1775	4.0 **	2.2	379 *
Riverside Labor Force Attachment	3510	18.9 ***	6.1 ***	840 ***
Lacked high school diploma or basic skills	1831	20.1 ***	6.4 ***	659 ***
Riverside Human Capital Development	1841	11.3 ***	4.3 ***	449 ***
Columbus Integrated	3392	2.5 *	5.9 ***	690 ***
Columbus Traditional	3415	1.9	4.6 ***	445 **
Detroit	3313	4.8 ***	3.6 ***	441 ***
Oklahoma City	2076	-0.5	-0.3	11
Portland	3423	12.1 ***	9.2 ***	1250 ***

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	1315	*0.16*	0.3	-9
Atlanta Human Capital Development	1548	*0.24*	1.3	-4
Grand Rapids Labor Force Attachment	775	*-0.29*	1.3	-24
Grand Rapids Human Capital Development	745	*-0.13*	-2.5	-33
Riverside Labor Force Attachment	963	*0.21*	4.7 ***	-26
Lacked high school diploma or basic skills	646	*-0.33*	0.8	-48
Riverside Human Capital Development	857	*-0.59*	1.6	2
Columbus Integrated	550	*-0.08*	4.8	-15
Columbus Traditional	536	*0.17*	0.0	-15
Detroit	309	*-0.66*	2.6	45
Oklahoma City	125 [c]	*-2.24* [c]	-0.1 [c]	-46
Portland	389	*1.26*	7.6 **	38

(continued)

Appendix Table D.1 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[c]	Site and Program
-1.4 ***	-234 ***	326 **	Atlanta Labor Force Attachment
-0.6 **	-157 ***	377 **	Atlanta Human Capital Development
-2.1 ***	-737 ***	-389 **	Grand Rapids Labor Force Attachment
-1.4 ***	-563 ***	-281	Grand Rapids Human Capital Development
-1.7 ***	-880 ***	-285	Riverside Labor Force Attachment
-1.5 ***	-893 ***	-484 **	Lacked high school diploma or basic skills
-0.8 **	-625 ***	-367	Riverside Human Capital Development
-1.5 ***	-404 ***	24	Columbus Integrated
-0.8 ***	-274 ***	21	Columbus Traditional
-0.8 ***	-248 ***	92	Detroit
-1.1 ***	-161 **	-251	Oklahoma City
-2.5 ***	-795 ***	193	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket for Child Care at Interview (%)	Site and Program
-3.9 **	-2.2	-1.3	Atlanta Labor Force Attachment
-2.7	-0.8	0.0	Atlanta Human Capital Development
-1.1	3.9	4.0	Grand Rapids Labor Force Attachment
0.5	3.3	-5.3 *	Grand Rapids Human Capital Development
-3.2	2.9	3.9 *	Riverside Labor Force Attachment
-0.5	0.0	0.3	Lacked high school diploma or basic skills
-3.5	-1.3	5.2 **	Riverside Human Capital Development
-6.2 *	-6.9 *	4.3	Columbus Integrated
1.3	-0.7	0.4	Columbus Traditional
-0.2	2.9	11.9 ***	Detroit
-11.2 u	-3.7 u	-8.1 u	Oklahoma City
-7.9 **	-2.9	5.8	Portland

SOURCES: See Table 11.4.

NOTES: See Table 11.4.

The symbol "u" indicates that, because of very small sample sizes, the impact estimate shown is unreliable.

National Evaluation of Welfare-to-Work Strategies

Appendix Table D.2

Program Impacts on Selected Measures for Sample Members on Welfare Less Than Two Years Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	1288	1.6	0.5	181
Atlanta Human Capital Development	1275	0.2	1.2	176
Grand Rapids Labor Force Attachment	1219	10.4 ***	0.6	533 *
Grand Rapids Human Capital Development	1215	7.7 ***	3.1	626 **
Riverside Labor Force Attachment	3101	11.5 ***	1.1	288
Lacked high school diploma or basic skills	1248	12.6 ***	-1.2	33
Riverside Human Capital Development	1238	7.9 ***	-2.3	-339
Columbus Integrated	806	-1.1	-1.7	-93
Columbus Traditional	793	-1.3	1.3	480
Detroit	1015	2.5	-0.8	-28
Oklahoma City	2683	-1.3	-2.4 *	53
Portland	1999	10.3 ***	7.3 ***	1233 ***

Site and Program	Sample Size	Average Hourly Pay ($)[a]	Full-Time Job with Health Insurance (%)	Total Measured Respondent Income ($)[b]
Atlanta Labor Force Attachment	560	*0.40*	-3.4	87 **
Atlanta Human Capital Development	619	*-0.01*	-1.1	92 **
Grand Rapids Labor Force Attachment	382	*0.06*	-0.5	-53
Grand Rapids Human Capital Development	411	*-0.34*	5.5	-60
Riverside Labor Force Attachment	699	*-0.16*	5.0 **	54
Lacked high school diploma or basic skills	357	*-0.48*	12.9 ***	73
Riverside Human Capital Development	481	*-0.61*	2.4	-26
Columbus Integrated	97 [c]	*1.55* [c]	-1.5 [c]	58 [c]
Columbus Traditional	105 [c]	*0.58* [c]	3.1 [c]	30 [c]
Detroit	102 [c]	*-1.10* [c]	17.1 [c]	34 [c]
Oklahoma City	154 [c]	*-0.25* [c]	-6.3 [c]	-104 [c]
Portland	206	*0.59*	13.0 *	140

(continued)

Appendix Table D.2 (continued)

Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[c]	Site and Program
-0.7	-185 **	-29	Atlanta Labor Force Attachment
-0.4	-158 **	68	Atlanta Human Capital Development
-2.3 ***	-586 ***	-190	Grand Rapids Labor Force Attachment
-1.1 **	-388 ***	187	Grand Rapids Human Capital Development
-1.3 ***	-535 ***	-412 *	Riverside Labor Force Attachment
-1.4 ***	-603 ***	-732 **	Lacked high school diploma or basic skills
-1.3 **	-514 ***	-968 ***	Riverside Human Capital Development
-2.2 ***	-340 ***	-710	Columbus Integrated
-1.4 **	-237 **	-1	Columbus Traditional
0.3	116	72	Detroit
-0.9 ***	-146 **	-146	Oklahoma City
-2.6 ***	-663 ***	388	Portland

Respondent and Child Have Health Care Coverage (%)	Child-Related Problems in Family (%)[d]	Respondent Paid Out-of-Pocket for Child Care at Interview (%)	Site and Program
4.7	-4.2 *	1.1	Atlanta Labor Force Attachment
2.0	-2.0	6.0 **	Atlanta Human Capital Development
-5.9	5.2	3.4	Grand Rapids Labor Force Attachment
-3.9	3.6	-2.6	Grand Rapids Human Capital Development
-6.5 **	2.3	-0.4	Riverside Labor Force Attachment
-10.8 **	-3.2	3.8	Lacked high school diploma or basic skills
2.1	-1.3	3.9	Riverside Human Capital Development
-11.4 [u]	1.4 [u]	0.8 [u]	Columbus Integrated
-0.5 [u]	8.6 [u]	-1.9 [u]	Columbus Traditional
5.5 [u]	4.6 [u]	3.9 [u]	Detroit
-1.9 [u]	8.0 [u]	-5.1 [u]	Oklahoma City
5.0	2.8	2.3	Portland

SOURCES and NOTES: See Appendix Table D.1.

National Evaluation of Welfare-to-Work Strategies

Appendix Table D.3

Program Impacts on Selected Measures for Sample Members Who Earned $3,000 or More in the Year Prior to Random Assignment

Site and Program	Sample Size	Ever Employed in Year 1or 2 (%)	Employed in All 4 Quarters of Year 2 (%)	Average Total Earnings in Year 2 ($)
Atlanta Labor Force Attachment	554	-0.9	-3.0	-25
Atlanta Human Capital Development	547	-1.6	-1.6	15
Grand Rapids Labor Force Attachment	519	2.6	7.9 *	998 *
Grand Rapids Human Capital Development	526	5.3 **	5.0	927 *
Riverside Labor Force Attachment	1402	9.7 ***	2.8	504
Lacked high school diploma or basic skills	482	16.7 ***	6.1	666
Riverside Human Capital Development	485	6.4 *	1.9	-228
Columbus Integrated	1260	-0.5	3.4	791 **
Columbus Traditional	1299	-0.6	2.3	449
Detroit	422	5.2	10.1 **	1357 *
Oklahoma City	1941	-3.2 *	-1.6	-15
Portland	934	3.8 *	3.0	268

Site and Program	Number of Months on AFDC in Years 1 and 2	Average AFDC Payments in Year 2 ($)	Average Combined Income in Year 2 ($)[a]
Atlanta Labor Force Attachment	-1.3 *	-257 **	-348
Atlanta Human Capital Development	-0.3	-116	-2
Grand Rapids Labor Force Attachment	-2.7 ***	-646 ***	155
Grand Rapids Human Capital Development	-1.3 *	-349 **	557
Riverside Labor Force Attachment	-1.6 ***	-578 ***	-237
Lacked high school diploma or basic skills	-1.0	-596 **	-50
Riverside Human Capital Development	-1.5 *	-642 **	-989 *
Columbus Integrated	-2.1 ***	-410 ***	143
Columbus Traditional	-1.4 ***	-259 ***	-34
Detroit	-2.3 ***	-349	842
Oklahoma City	-0.9 **	-123	-186
Portland	-2.5 ***	-508 ***	-402

SOURCES: MDRC calculations from unemployment insurance (UI) earnings and AFDC records.

NOTES: See Table 11.4.

[a] "Combined income" is income from earnings, AFDC, and Food Stamps.

Appendix E

Survey Response Analysis

Supplementary Tables and Figures

Survey Response Analysis

The Two-Year Client Survey provides data on participation, degree receipt, job quality, income, transitional benefits, health care coverage, child care, child outcomes, and several other measures used in this report. As noted in Chapter 2, the survey was administered to a subsample of the full research sample approximately two years after random assignment. The purpose of this appendix is to assess the reliability of survey results and whether these results are generalizable to the full research sample.

I. Key Analysis Samples

This analysis involves comparing background characteristics and impact results for the following samples drawn from the full research sample:

> *The survey eligible sample ("eligibles"):* sample members in the full research sample who were randomly assigned during months in which the survey sample was selected and who met the criteria for inclusion.
>
> *The fielded sample ("fieldeds"):* Members of the eligible sample who were chosen to be interviewed.
>
> *The respondent sample ("respondents"):* members of the eligible sample chosen to be interviewed (that is, fieldeds) who were interviewed.
>
> *The nonrespondent sample ("nonrespondents"):* members of the eligible sample chosen to be interviewed (that is, fieldeds) who were *not* interviewed because they could not be located or declined to be interviewed.

The analysis addresses the following questions:

- Is the response rate (the percentage of fielded sample members who were interviewed) high enough to satisfy the usual standards of impact analysis?
- Are differences in response rates across research groups small enough to indicate that comparisons between those groups will yield unbiased impact estimates?
- Are impact estimates based on unemployment insurance (UI) earnings records and AFDC payment records similar for the respondent and eligible samples?

To summarize, the results are somewhat inconclusive and suggest that caution is needed when interpreting the survey results for some programs. In all programs response rates are high enough (at least 70 percent) to suggest that the survey probably represents the eligible sample. Further, differences in response rates across research groups are small and therefore most likely will not affect research group comparisons. At the same time, however, differences in background characteristics are evident in four programs and raise some concerns. The analysis also shows that impacts on employment and AFDC payments are similar for respondent and eligible samples, indicating that survey data for respondents are likely to be a good representation of impacts for all survey eligibles. Earnings estimates, however, differ and are somewhat problematic in four sites, suggesting that some caution is needed in generalizing the survey results.

II. Survey Selection and Sampling Ratios

Several of the chapters in this report analyze program impacts calculated from survey responses as well as impacts calculated from administrative records for the full sample. It is important to understand the process by which the survey samples were chosen and survey responses collected in order to assess the comparability of these results.

Selecting the eligible sample. In all sites the survey eligible sample includes members of the full research sample who were randomly assigned during some, but not all, months of sample intake. (See Table 2.2.) Limiting the eligible sample in this way can introduce "cohort effects," impact estimates that are especially large or small for sample members randomly assigned during particular months. A cohort effect may occur because members of the survey eligible sample differ in measured or unmeasured background characteristics from persons randomly assigned in other months. Changes in area labor markets or in program implementation that occur at some point after the start-up of random assignment may also introduce cohort effects — for example, by increasing or decreasing a program's relative success in moving welfare recipients from welfare to work. These issues are most germane to Columbus, Detroit, Portland, and Oklahoma City, where selection of the survey eligible samples took place over fewer months than in Atlanta, Grand Rapids, and Riverside.

Further, the research strategy for choosing the survey eligible samples in Atlanta, Grand Rapids, and Riverside required the exclusion of sample members with certain background characteristics: teen parents, parents with children under age 3 (in Atlanta and Riverside), men with children aged 3 to 5, people who did not speak either English or Spanish, and people who did not provide information on their educational status and children's ages prior to random assignment. This selection strategy may affect the generalizability of impact results recorded from the survey.

Fortunately, cohort effects were small. For instance, differences in two-year earnings gains between the full research samples and the survey eligible samples varied by less than $100 in nine of the programs and by less than $200 in every program (results not shown).

Selecting the fielded sample. The percentage of the survey eligibles who were chosen for the fielded sample is the sampling ratio. Across all sites sampling ratios ranged from 14 to 100 percent.

In Atlanta, Grand Rapids, Portland, and Riverside the fielded sample was selected by drawing a stratified random subsample of the survey eligible sample. In Atlanta, Grand Rapids, and Riverside the sampling ratio varied (for research purposes) by research group, date of random assignment, age of youngest child, and pre-random assignment educational attainment of the sample member. In Portland sampling ratios varied by research groups and by date of random assignment only. Although corrected for, as discussed below, differences in sampling ratios may also affect survey impact estimates. For instance, unless the total sample size is large, different sampling ratios increase the likelihood that persons chosen in one research group differ (perhaps in unmeasured characteristics) from persons chosen in another research group.

In Detroit and Oklahoma City the fielded sample for program and control group members was selected by drawing a simple random sample from the eligible sample. That is, within these sites a single sampling ratio was applied to all program and control group members, irrespective of their background characteristics. This sampling strategy was used in Columbus as well, except that the sampling ratio for control group members was slightly higher than for members of the Integrated and Traditional groups.

III. Weighting

For this report weights were applied to the survey respondent sample to correct for differences in sampling ratios between the strata in Atlanta, Grand Rapids, Portland, and Riverside. In the unweighted fielded survey sample in these sites, strata (that is, sample members who share background characteristics and have the same sampling ratio) with high sampling ratios are overrepresented and strata with low sampling ratios are underrepresented. To make the fielded sample more closely replicate the background characteristics of survey eligibles, weights for each stratum were set to equal the inverse of the sampling ratio for that stratum. For example, a stratum in which 1 eligible person in 4 was chosen would receive a weight of 4 (or 4/1), whereas a stratum in which every eligible person was chosen would receive a weight of 1 (or 1/1). The same weights are used for the respondent sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

It should be noted that under some conditions impacts for a weighted respondent sample may still be different from those for the eligible sample. For example, this result could occur if very different proportions of program and control group fieldeds answered the survey or if members of a subgroup within one research group were more likely to be interviewed than their counterparts in a different research group. These issues are addressed in the next section.

IV. Response Rates

As noted above, sample members who were fielded and interviewed are survey respondents. Those chosen to be surveyed but who were not interviewed are non-respondents. Table E.1 shows the percentage of the fielded sample who responded to the survey, by program and research group. As shown, in most programs response rates are high enough to suggest that the survey probably represents the eligible sample.

The goal of the survey effort was to obtain responses from at least 70 percent of the fielded sample, which was achieved for all research groups in all sites; in fact, response rates reached 80 percent or above for most research groups. These results inspire particular confidence in the impacts for respondents.

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Appendix Table E.1

Number of Fielded Survey Sample Members and Two-Year Client Survey Response Rates

Site and Program	Number of Fielded Members	Response Rate (%)
Atlanta Labor Force Attachment	908	88.5
Atlanta Human Captial Development	1225	90.9
Atlanta Control	1200	90.5
Grand Rapids Labor Force Attachment	637	90.1
Grand Rapids Human Capital Development	647	88.7
Grand Rapids Control	631	92.6
Riverside Labor Force Attachment	740	76.2
Riverside Human Capital Development	819	75.8
Riverside Control	1396	79.8
Columbus Integrated	455	81.5
Columbus Traditional	459	79.7
Columbus Control	460	77.6
Detroit Program	261	80.5
Detroit Control	259	83.4
Oklahoma Program	356	72.8
Oklahoma Control	360	70.0
Portland Program	385	77.1
Portland Control	377	83.0

SOURCE: MDRC calculations from the Two-Year Client Survey.

NOTE: A response rate is the number of survey completions taken as a percentage of sample members selected to be surveyed.

V. Research Group Differences in Response Rates

Different response rates among research groups can be a potential source of bias in research group comparisons. Such differences suggest that research groups may differ by unobservable characteristics that cannot be controlled for, and depending on how these characteristics affect key outcomes, they may affect impact estimates. The results indicate that response rates differ by research group in four programs. (See Table E.1.) The magnitude of these differences is relatively small, however, and does not raise concern.

To test whether response rates varied by research group, a 0/1 dummy indicating a response to the survey was regressed on a dummy variable indicating membership in the program group. A statistically significant p-value of the coefficient on the program group dummy indicates that the research groups had different response rates. Accordingly, response rates differ by research group in four programs: Portland, Riverside LFA, Grand Rapids HCD, and Atlanta LFA (results not shown). Except in Portland (6 percentage points; see Table E.1), however, the differences in these sites are relatively small, amounting to 4 percentage points or less.

VI. Research Group Differences in Background Characteristics

Research groups may also have different background characteristics. Differences in these observable characteristics can be corrected for in the regression impact model and do not pose a large problem. These differences, however, may indicate variation in unobservable characteristics that, as noted above, cannot be controlled for in the impact analysis. The following results show that background characteristics differ by research group in four programs.

To determine whether there are any observable program-control differences within the survey respondent sample, the 0/1 dummy variable indicating membership in the program group was regressed on pre-random assignment demographic information for the fielded and the respondent samples. A statistically significant p-value of the R-square of the regression described above indicates that research groups have different background characteristics. The results show that differences in demographic characteristics are evident in four programs: Atlanta LFA and HCD, Riverside HCD, and Portland (results not shown).

VII. A Comparison Between Survey Respondents and the Full Sample

Impacts on two-year employment, earnings, and AFDC payments based on administrative records were estimated for the survey eligible and survey respondent samples. The results are summarized in Figures E.1–E.3. In these figures impacts for the eligible sample (weighting not required) are compared with the weighted impacts for the respondent sample. Programs that fall near the 45-degree line that is drawn on these figures have similar impacts for the survey respondent sample and the survey eligible sample. Similarity in results suggests that estimates for respondents represent the eligible sample for these, and probably other, measures that depend on employment and welfare levels, such as use of child care, health care coverage, and child outcomes.

Overall, the analysis shows that impacts on employment and AFDC payments are similar, as are impacts on earnings for some programs. For other programs, however, the size of earnings gains differs for the eligible and respondent samples, which raises some concerns about the generalizability of survey results.

As shown in Figure E.1, impacts on employment for respondents are similar to impacts for all survey eligibles in all programs, except Detroit. The variation in impact estimates for these programs ranges from 3.4 percentage points in Portland to less than 1 percentage point in Columbus Traditional, Atlanta HCD, and Grand Rapids LFA. In Detroit, however, impacts on employment are 6.3 percentage points larger for the survey respondent sample than for the survey eligible sample.

As shown in Figure E.2, there is some variation between earnings impacts for survey respondents and survey eligibles. In five programs impacts for survey respondents are more than $200 lower than impacts for survey eligibles. In three other programs impacts for survey respondents are at least $300 higher than impacts for survey eligibles. These differences, however, overstate the problem in some programs because they do not change the overall assessment of the results. For example, in Portland and Riverside LFA impact estimates for both samples are considered large although they differ.

Earnings impacts differ more dramatically and are problematic in four programs. Specifically, in Oklahoma City and Riverside HCD impacts for the survey respondents are larger than those for survey eligibles. In both Grand Rapids programs impacts for survey respondents are smaller than those for survey eligibles.

Finally, there is little variation in impacts on AFDC payments between samples in most programs. As shown in Figure E.3, impacts for survey respondents and eligibles are similar in all programs except Riverside LFA and HCD; however, the impacts are relatively large for both samples and therefore do not raise concern.

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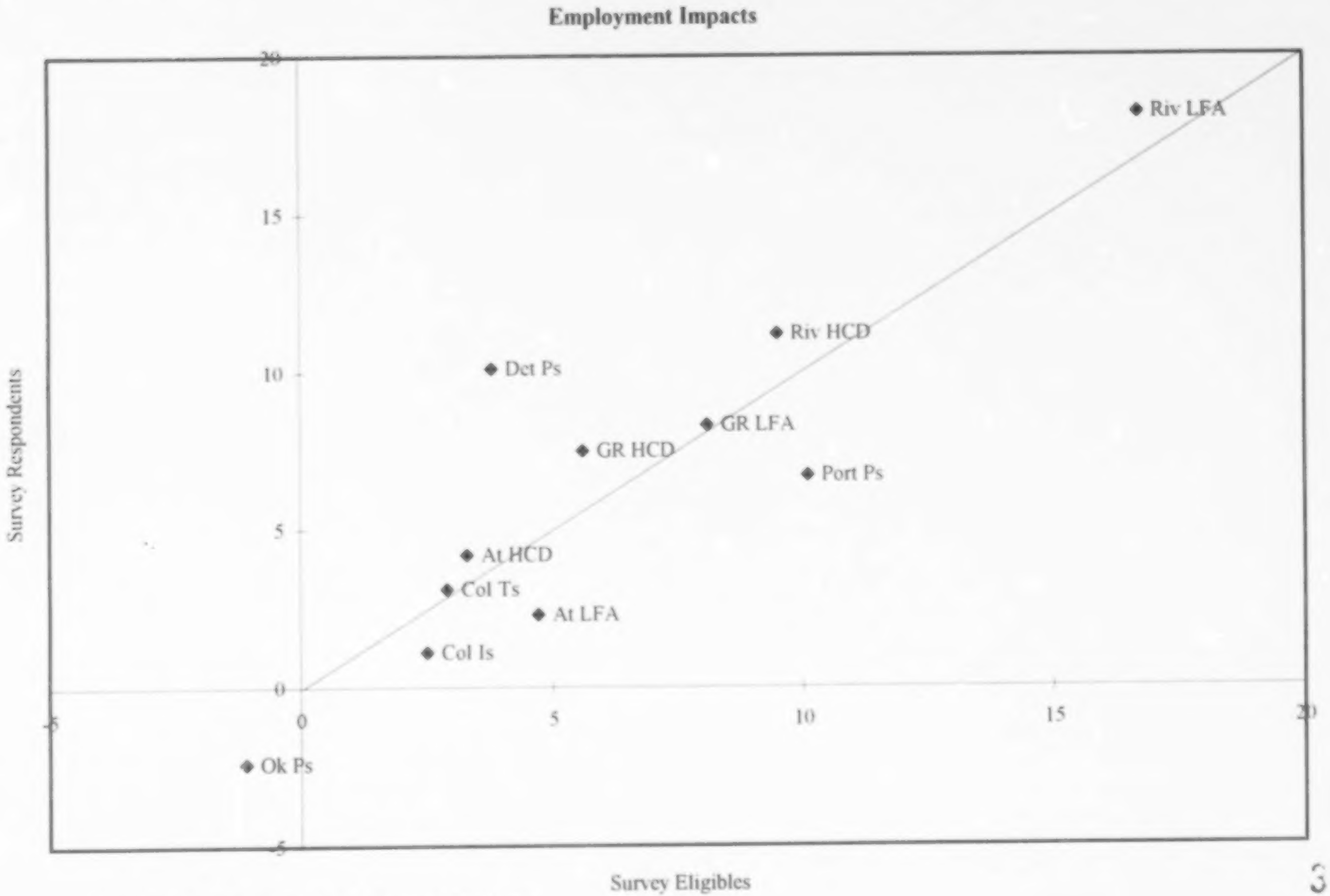
Appendix Figure E.1

Two-Year Employment Impacts: Respondents and Eligibles



SOURCES and NOTES: See Appendix Table D.3.

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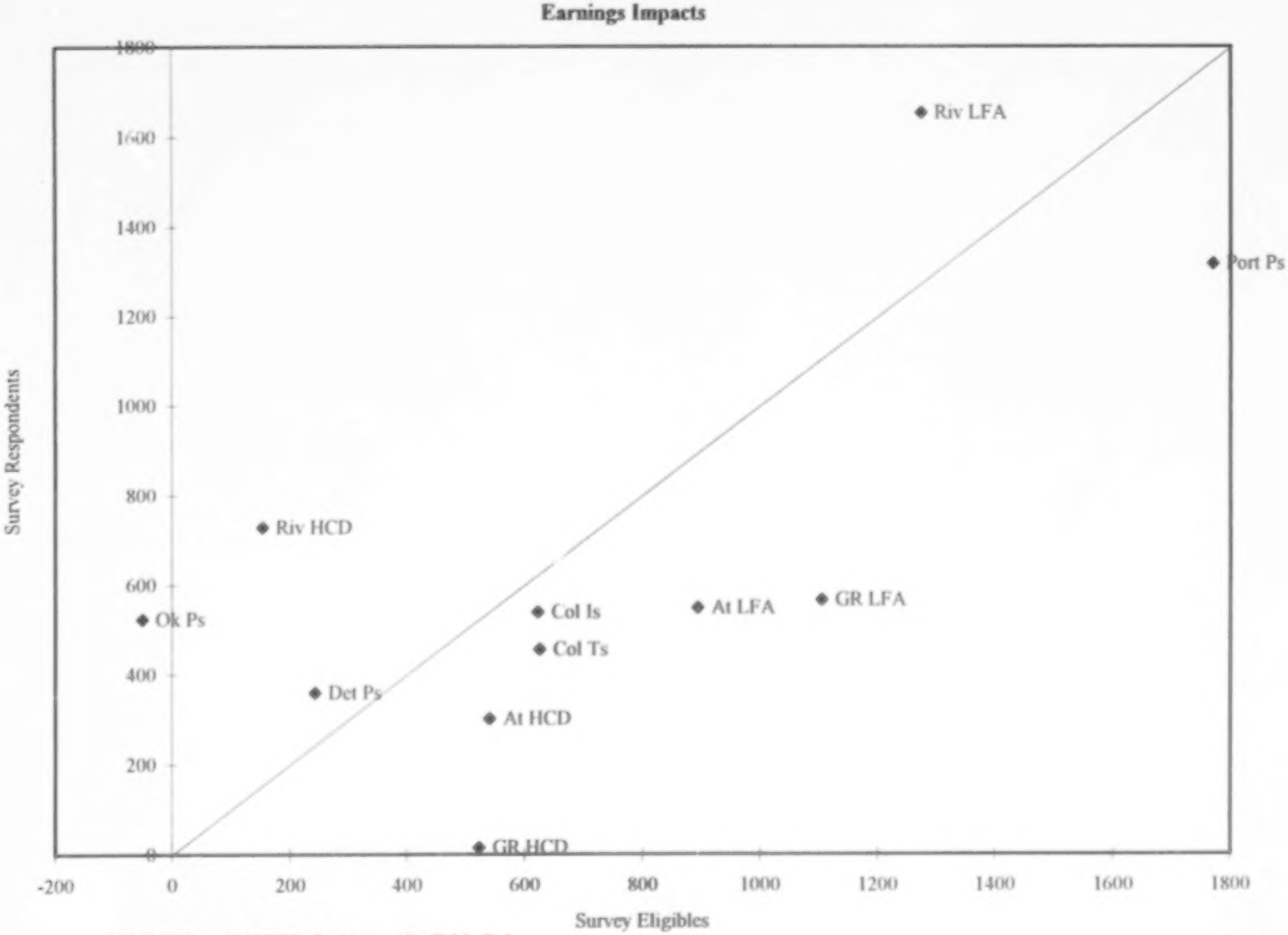
Appendix Figure E.2

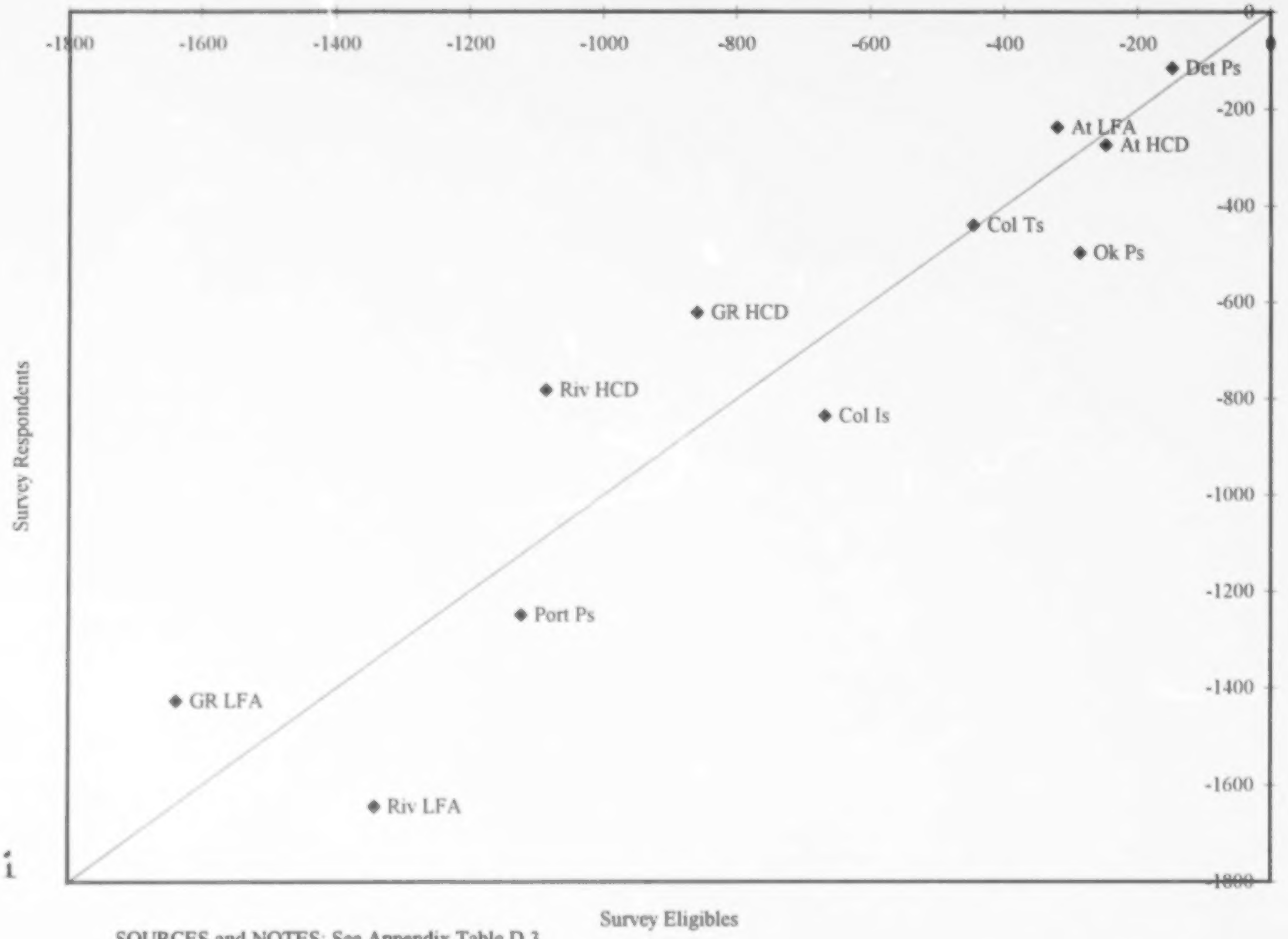
Two-Year Earnings Impacts: Respondents and Eligibles



SOURCES and NOTES: See Appendix Table D.3.

National Evaluation of Welfare-to-Work Strategies
Appendix Figure E.3
Two-Year AFDC Impacts: Respondents and Eligibles

AFDC Payments



SOURCES and NOTES: See Appendix Table D.3.

Appendix F

A Comparison of Impacts Estimated from Survey and UI Earnings Data

Supplementary Tables

A Comparison of Impacts Estimated from Survey and UI Earnings Data

Employment and earnings impacts in this report are estimated from statewide automated unemployment insurance (UI) earnings records and from the Two-Year Client Survey. This appendix compares employment impacts from these two sources and investigates why they differ in some programs. The results demonstrate that surveys sometimes record jobs that are missed by statewide UI earnings reporting systems and at other times underreport employment. Further, in some sites program and control groups varied in the degree to which employment was underreported on the survey.

I. Possible Reasons for Differences Between Survey and UI Earnings Data

Survey data are self-reported. They include jobs that are not covered or not reported to the state UI system, such as self-employment, some domestic work, federal government or military jobs, informal employment, or out-of-state jobs. UI earnings data, however, include jobs that respondents fail to recall or are reluctant to report on the survey. Survey respondents may also have had problems recalling start and end dates of some jobs, particularly those that started early in the follow-up and lasted for a short period of time. On the other hand, some employers may have delayed reporting employment to the UI system until after the files were created for this report.

Further, survey and UI earnings data presented in this report cover somewhat different time periods. UI earnings data are recorded quarterly, whereas the survey records each month of employment. For UI earnings, quarter 1, which includes each sample member's random assignment date, may contain earnings from before random assignment. Therefore, two-year impacts for UI earnings cover quarters 2 through 9, which correspond to months 2 to 25, 3 to 26, or 4 to 27, with month 1 being the month that the respondent was randomly assigned.[1] In contrast, two-year survey impacts cover months 1 through 25,[2] starting and ending slightly earlier than the follow-up for UI earnings for most sample members. It should also be remembered that survey-based measures of current employment are for the month of interview or the month preceding the interview date. These months typically occur during quarters 8 or 9, but may occur as late as quarter 12.

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[1] The follow-up periods vary, depending on whether sample members were randomly assigned during the first, second, or third month of a calendar quarter.

[2] For this report jobs reported to have begun prior to random assignment were ignored, unless the end month occurred during the follow-up period. In that instance, the job was considered to have begun during the random assignment month.

II. Reporting Discrepancies for Sample Members with Both Survey and UI Earnings Data

One potential source of differences in impact estimates from survey and UI earnings data is discrepant reporting. To see if this was a problem, for each sample member in the survey respondent sample earnings reported in the month before interview from the survey data were directly compared with earnings in the quarter that includes the month before interview from the UI earnings data.[3] The results are presented in Table F.1.

For this comparison a match occurred if both sources had some dollar amount or if both had no dollar amount. Match rates ranged from 68.6 percent in Oklahoma City to 83.6 percent in Riverside when program and control group members were considered together. As shown in Table F.1, patterns of discrepancies differed by site. In four sites at least 10 percent of the sample reported earnings on the survey that were not captured by UI earnings data. Oklahoma City had the largest percentage of these types of cases. Conversely, in five sites more than 10 percent of the sample had UI-recorded earnings that were not reported on the survey.

In Atlanta and, to some extent, Columbus the UI earnings data captured most of the employment reported on the survey and some additional employment not reported on the survey. The opposite occurred in Riverside: survey data captured most of the employment reported on the UI earnings data and some additional employment. In Oklahoma City, survey and UI earnings data captured somewhat different employment information. More than one-sixth of the sample had survey-reported earnings that were not on the UI earnings data. More than one-eighth of the sample had UI-recorded earnings that were not on the survey.

III. Observed Patterns of Differences Between Survey and UI Earnings Results

Table F.2 compares year 2 employment rates for program and control group survey respondents in each program, as well as program impacts, estimated from UI earnings (row 1: Records Impact) and survey responses (row 2: Survey Impact). A comparison of these two rows highlights the difference in estimates from survey and UI earnings data.

Ideally, both sources would record the same information for each person. The next best result would be for both program and control group members to have similar rates of discrepant reporting, because impacts estimated from UI earnings and survey data would be similar. This situation is demonstrated by results for both programs in Riverside. As shown in Table F.2, the survey records higher employment levels than UI earnings data; but differences are consistent for program and control groups, leaving impact levels nearly unchanged. A similar result was found for the Columbus Traditional program, although in this instance employment levels were somewhat lower when recorded from survey responses.

Variation in rates of discrepant reporting by research group is more problematic because it affects impact results. As shown in Table F.2, this result occurred in several programs. For in-

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[3] Some sample members were interviewed after the follow-up period for UI earnings and were excluded from this comparison.

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Appendix Table F.1

Proportion of Survey Sample Having Earnings At the End of Two Years on Survey or UI Earnings Data, But Not on Both

Site	Two-Year Survey Only (%)	UI Earnings Data Only (%)
Atlanta	4.9	13.6
Grand Rapids	10.7	12.0
Riverside	10.6	5.8
Columbus	8.8	15.0
Detroit	11.4	12.9
Oklahoma City	18.3	13.1
Portland	8.5	8.4

SOURCES: MDRC calculations from unemployment insurance (UI) earning records and the Two-Year Client Survey.

NOTE: Based on preliminary calculations.

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Appendix Table F.2

Comparison of Impact Estimates from Survey and UI Earnings Data for Employment in Year 2

Site and Program	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Atlanta Labor Force Attachment				
Records Impact: Survey Sample	60.86	55.82	5 **	9.02
Survey Impact: Survey Sample	54.18	54.07	0	0.20
Atlanta Human Capital Development				
Records Impact: Survey Sample	61.76	55.82	6 ***	10.63
Survey Impact: Survey Sample	55.31	54.07	1	2.29
Grand Rapids Labor Force Attachment				
Records Impact: Survey Sample	71.59	64.67	7 ***	10.69
Survey Impact: Survey Sample	77.51	68.50	9 ***	13.15
Grand Rapids Human Capital Development				
Records Impact: Survey Sample	69.05	64.67	4 *	6.76
Survey Impact: Survey Sample	70.32	68.50	2	2.65
Riverside Labor Force Attachment				
Records Impact: Survey Sample	48.43	38.26	10 ***	26.58
Survey Impact: Survey Sample	61.31	49.10	12 ***	24.86
Riverside Human Capital Development				
Records Impact: Survey Sample	40.13	31.58	9 ***	27.10
Survey Impact: Survey Sample	49.25	39.35	10 ***	25.17
Columbus Integrated				
Records Impact: Survey Sample	63.82	64.16	0	-0.53
Survey Impact: Survey Sample	64.63	57.52	7 **	12.35
Columbus Traditional				
Records Impact: Survey Sample	63.72	64.16	0	-0.69
Survey Impact: Survey Sample	60.35	57.52	3	4.92
Detroit				
Records Impact: Survey Sample	54.55	49.28	5	10.67
Survey Impact: Survey Sample	58.07	47.71	10 **	21.73

(continued)

Appendix Table F.2 (continued)

Site and Program	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Oklahoma City				
Records Impact: Survey Sample	59.80	59.18	1	1.05
Survey Impact: Survey Sample	70.43	63.33	7 *	11.21
Portland				
Records Impact: Survey Sample	59.40	50.39	9 **	17.89
Survey Impact: Survey Sample	71.44	58.98	12 ***	21.13

SOURCES: MDRC calculations from unemployment insurance (UI) earnings records and the Two-Year Client Survey.

NOTES: Survey measures for program and control group members in Atlanta, Grand Rapids, Riverside, and Portland represent weighted averages. In these sites, certain subgroups were overrepresented (for research purposes) among those chosen to be surveyed. Members of the client survey sample are weighted by the inverse of their probability of selection for the survey to replicate the proportion of program and control group members in the full impact sample. Weighting was not required for sample members in Columbus, Detroit, and Oklahoma City, because sample members' background characteristics did not affect their chances of selection.

Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

"Percentage change" equals 100 times the "difference" divided by the "control group."

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

stance, in both Atlanta programs, survey impacts were small and not statistically significant owing to fewer program group members reporting employment on the survey data than on the UI earnings data. Conversely, in the Grand Rapids HCD program impacts were smaller because a greater number of control group members reported employment on the survey data than on the UI earnings data.

In contrast, in Columbus Integrated, Detroit, and Oklahoma City survey impacts on employment were larger than UI earnings impacts for the survey respondent sample. For these programs survey data produced moderate to large, statistically significant impacts on employment, whereas UI earnings data showed small impacts that were not statistically significant. In Detroit and Oklahoma City these differences were due primarily to more program group members reporting employment on the survey data than on the UI earnings data. In Columbus Integrated another pattern was evident: fewer control group members reported employment on the survey data than on the UI earnings data.

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U.S. GOVERNMENT PRINTING OFFICE:2000-521-594/95034

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(continued from inside front cover)

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